

FS.COM Limited

Articles of Association

April 2025

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CHAPTER 1 GENERAL PROVISIONS

Article 1 To safeguard the legitimate rights and interests of FS.COM Limited (hereinafter referred to as the “Company”), its shareholders and creditors, and regulate the structure and activities of the Company, the Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (《中華人民共和國公司法》) (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (《中華人民共和國證券法》), the Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”) and other relevant provisions.

Article 2 The Company is a joint stock limited liability company established in accordance with the Company Law and other relevant laws and regulations.

Article 3 The Company is a joint stock limited liability company established by Shenzhen Yuxuan Network Technology Co., Ltd. in accordance with the law through the overall change of net book value of assets. The original shareholders of Shenzhen Yuxuan Network Technology Co., Ltd. are the promoters of the Company.

Article 4 On [•], the Company completed the filing with the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”), and was approved by The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange”) for its initial public offering of [•] overseas listed foreign shares. The shares are listed on the Main Board of Hong Kong Stock Exchange on [•].

Article 5 Registered name of the Company: FS.COM Limited

Article 6 Domicile of the Company: 1903-1904, Block C, China Resources Land Building, Da Chong Community, Yuehai Street, Nanshan District, Shenzhen.

Article 7 The registered capital of the Company is RMB[•] million.

Article 8 The Company is a joint stock limited liability company with perpetual existence.

Article 9 The legal representative of the Company shall be the director who carries out the affairs of the Company on behalf of the Company. If a director who is the legal representative resigns, he/she shall be deemed to have resigned as the legal representative at the same time. If the legal representative resigns, the Company shall appoint a new legal representative within thirty days from the date of resignation.

For civil activities conducted by the legal representative in the name of the Company, the Company shall bear the legal consequences.

The restrictions on the authority of the legal representative stipulated in the Articles of Association or by the general meeting shall not be against a bona fide counterparty.

If the legal representative causes damage to others in the performance of his/her duties, the Company shall bear civil liability. After the Company assumes civil liability, it may, in accordance with laws or the Articles of Association, seek compensation from legal representative at fault.

Article 10 The liability of a shareholder shall be limited to the shares subscribed for by that shareholder, and the Company shall hold liable for its debts with all of its assets.

Article 11 Pursuant to the Company Law and other relevant regulations, the Company established the organization of the Communist Party of China to carry out Party activities. The Company shall provide the necessary conditions for the activities of the Party organization. The Party organization activities of the Company are handled in accordance with the Constitution of Communist Party of China and relevant policies and regulations.

Article 12 The Articles of Association shall, from the date when they take effect, constitute a legally binding document regulating the structure and activities of the Company and the rights and obligations between the Company and its shareholders and among the shareholders, and shall be legally binding on the Company, its shareholders, directors, supervisors and senior management members. In accordance with the Articles of Association, shareholders may bring litigations against shareholders, shareholders may bring litigations against the Company's directors, supervisors, general manager and other senior management members, shareholders may bring litigations against the Company, and the Company may bring litigations against shareholders, directors, supervisors, general manager and other senior management members.

Article 13 The senior management members referred to in the Articles of Association shall be the deputy general manager, chief financial officer and secretary to the board of directors.

CHAPTER 2 OBJECTIVES AND SCOPE OF BUSINESS

Article 14 The business objective of the Company is to create a service-based IT communication Internet brand.

Article 15 Upon legal registration, the Company's business scope includes: sales and services of software, technical development and sales of opto-electronic devices, communication equipment and apparatus; technical development and sales of network products; sales of packaging materials and consumables; domestic trade; operation of import and export business (Except for the items prohibited by the above laws, administrative regulations and decisions of the State Council, the restricted items must be licensed before operation). Information consulting services (excluding licensing information consulting services); information technology consulting services; technical services, technology development, technology consulting, technology exchange, technology transfer, technology promotion. Non-residential real estate lease. (Except for the items which are subject to approval in accordance with the law, business activities are to be carried out independently in accordance with the law on the basis of the business license) ^Nil.

CHAPTER 3 SHARES

Section 1 Issuance of Shares

Article 16 The shares of the Company shall take the form of registered share certificates. The share certificates of the Company shall contain, in addition to the particulars as required by the Company Law, other items as required by the stock exchange where the Company's shares are listed.

Where the share capital of the Company includes shares that do not carry voting rights, the word "non-voting" must appear on the name of such shares. Where the share capital includes shares with different voting rights, the name of each class of shares, other than those with the most favorable voting rights, must include the words "restricted voting" or "limited voting".

Article 17 The Company shall issue shares in an open, equitable and fair manner, and each of the shares in the same class shall carry the same rights.

Shares of the same class and the same issuance shall be issued on the same conditions and at the same price. Any entity or individual shall pay the same price for each of the shares of the same class and the same issuance for which it/he/she subscribes for.

Domestic unlisted shares and overseas listed shares issued by the Company are entitled to the same rights in any distribution in the form of dividends (including cash and in-kind distribution) or any other form. The Company shall not exercise any power to freeze or otherwise impair the rights attached to the shares of any person who is directly or indirectly interested therein merely because such person has not disclosed his/her interest to the Company.

Article 18 The par value of shares issued by the Company shall be denominated in RMB, with a par value of RMB1 per share.

Article 19 For the shares issued by the Company, domestic shares shall be registered and deposited centrally with the domestic securities registration and settlement institution, and matters such as the registration and settlement arrangements for overseas listed shares shall be subject to the applicable regulations of the place where the Company's shares are listed.

Article 20 The Company is a joint stock limited liability company established through the overall change of Shenzhen Yuxuan Network Technology Co., Ltd. with a total number of 60 million shares, all of which are ordinary shares, with a par value of RMB1 per share. The promoters, number of shares subscribed, method of capital contribution and shareholding ratio of the Company are as follows:

No.	Name of promoters/shareholders	Number of subscribed shares (0,000' shares)	Shareholding ratio	Method of capital contribution
1	Xiang Wei	3571.9965	59.533275%	Conversion of net assets into shares
2	Gongqingcheng Fupeng Hongxiang No. 3 Equity Investment Management Center (Limited Partnership) (共青城福鵬宏祥叁號股權投資管理中心(有限合夥))	690.2279	11.503798%	Conversion of net assets into shares
3	Ningbo Meishan Bonded Port Area Fupeng Hongxiang No. 8 Equity Investment Management Centre (Limited Partnership) (寧波梅山保稅港區福鵬宏祥捌號股權投資管理中心(有限合夥))	306.7852	5.113086%	Conversion of net assets into shares
4	Wu Dunxiang	296.5603	4.942672%	Conversion of net assets into shares
5	Haitong Innovation Securities Investment Co., Ltd. (海通創新證券投資有限公司)	281.4654	4.691089%	Conversion of net assets into shares
6	Shenzhen Yuxuan Prudence Technology Partnership (Limited Partnership) (深圳市宇軒穩健科技合夥企業(有限合夥))	201.2548	3.354247%	Conversion of net assets into shares
7	Shenzhen Grandway Capital Management Co., Ltd. (深圳市嘉遠資本管理有限公司)	101.5586	1.692644%	Conversion of net assets into shares
8	Hangzhou Mingcheng Zhihui Phase I Equity Investment Partnership (Limited Partnership) (杭州明誠致慧一期股權投資合夥企業(有限合夥))	71.8461	1.197435%	Conversion of net assets into shares
9	Shenzhen Qianhai Taiya Dingfu Equity Investment Partnership (Limited Partnership) (深圳前海泰亞鼎富股權投資合夥企業(有限合夥))	68.1736	1.136227%	Conversion of net assets into shares
10	Guoxin H&S (Zhuhai) Energy Industry Fund (Limited Partnership) (國信弘盛(珠海)能源產業基金(有限合夥))	60.9344	1.015573%	Conversion of net assets into shares
11	Zhuhai Lafang Excellence No. 7 Investment Fund (Limited Partnership) (珠海拉芳卓越七號投資基金(有限合夥))	54.0170	0.900283%	Conversion of net assets into shares
12	Jieyang Herun Investment Co., Ltd. (揭陽市和潤投資有限公司)	54.0170	0.900283%	Conversion of net assets into shares
13	Shenzhen Yuxuan Progress Technology Partnership (Limited Partnership) (深圳市宇軒進取科技合夥企業(有限合夥))	46.4268	0.773780%	Conversion of net assets into shares
14	Shenzhen Yuxuan Growth Technology Partnership (Limited Partnership) (深圳市宇軒成長科技合夥企業(有限合夥))	36.6259	0.610431%	Conversion of net assets into shares

No.	Name of promoters/shareholders	Number of subscribed shares (0,000' shares)	Shareholding ratio	Method of capital contribution
15	Chen Zhiwei	31.2718	0.521196%	Conversion of net assets into shares
16	Xiamen H&S Lianfa Intelligent Technology Industry Equity Investment Fund Partnership (Limited Partnership) (廈門弘盛聯發智能技術產業股權投資基金合夥企業(有限合夥))	30.4691	0.507819%	Conversion of net assets into shares
17	Shenzhen Chiyu Enterprise Management Partnership (Limited Partnership) (深圳市馳裕企業管理合夥企業(有限合夥))	30.4614	0.507690%	Conversion of net assets into shares
18	Gong Cuihua	27.0104	0.450174%	Conversion of net assets into shares
19	Shenzhen Grandway Investment Partnership (Limited Partnership) (深圳市嘉遠投資合夥企業(有限合夥))	18.6152	0.310254%	Conversion of net assets into shares
20	Chen Shaofeng	11.3726	0.189544%	Conversion of net assets into shares
21	Peng Chao	8.9100	0.148500%	Conversion of net assets into shares
Total		6000.0000	100%	-

Article 21 Upon completion of the initial public offering of H shares (assuming the over-allotment option is not exercised), the total number of shares of the Company will be [•] million shares, and the share capital structure of the Company will be as follows: the total number of issued ordinary shares is [•] shares, of which [•] ordinary shares are overseas listed shares, representing [•]% of the total issued ordinary shares of the Company; [•] ordinary shares are domestic shares, representing [•]% of the total issued ordinary shares of the Company. Assuming the over-allotment option is fully exercised, the share capital structure of the Company is as follows: the total number of issued ordinary shares is [•] shares, of which [•] ordinary shares are overseas listed shares, representing [•]% of the total issued ordinary shares of the Company; [•] ordinary shares are domestic shares, representing [•]% of the total issued ordinary shares of the Company.

Shares issued by the Company to domestic investors and subscribed for in RMB are referred to as domestic shares. Shares issued by the Company to foreign investors and subscribed for in foreign currencies and shares held by foreign investors and transferred from holders of domestic shares of the Company are collectively referred to as foreign shares. Among such foreign shares, those listed overseas are referred to as overseas listed foreign shares, and those not listed overseas are referred to as unlisted foreign shares. Shares that are listed and traded on an overseas stock exchange upon filing with the regulatory authority authorized by the State Council and approval by the overseas securities regulatory authority are referred to as overseas listed shares. Where a shareholder holding domestic shares applies for the conversion of the domestic shares into overseas listed foreign shares for listing and circulation on overseas securities trading venues, the application shall be made in compliance with the relevant provisions of the CSRC, and the shareholder shall entrust the Company to file with the CSRC. Unless otherwise provided in the Articles of Association, holders of domestic shares and foreign shares are holders of ordinary shares and shall have the same obligations and rights.

Article 22 The Company or its subsidiaries (including controlled subsidiaries within the scope of consolidation of the Company) shall not provide any assistance in the form of gifts, advances, guarantees, compensation or loans and other forms to purchasers or prospective purchasers of shares of the Company, except for the implementation of the Company's employee stock ownership plans.

For the interests of the Company, upon a resolution of the general meeting, or a resolution of the board of directors in accordance with the Articles of Association of the Company or the authorization of the general meeting, the Company may provide financial assistance to other persons for the acquisition of shares in the Company or its parent company, provided that the cumulative total amount of the financial assistance shall not exceed ten percent of the total issued share capital. Resolutions made by the board of directors shall be approved by more than two-thirds of all directors.

In the event of any violation against the provisions of the preceding two paragraphs that causes losses to the Company, the responsible directors, supervisors and senior management members shall be liable for the compensation.

Section 2 Increase, Reduction and Repurchase of Shares

Article 23 The Company may increase its registered capital by the following methods in light of the needs of its operation and development, in compliance with laws and regulations, and upon resolutions passed at the general meeting:

- (1) issuance of shares to non-specific investors;
- (2) issuance of shares to specific investors;
- (3) distribution of bonus shares to existing shareholders;
- (4) conversion of common reserve fund into share capital;
- (5) other methods stipulated by laws, administrative regulations, and approved by the CSRC, the securities regulatory authorities of the place where the Company's shares are listed and other relevant regulatory authorities.

Article 24 The Company may reduce its registered capital. The reduction of registered capital by the Company shall be carried out in accordance with procedures stipulated by the Company Law and other relevant regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Article 25 The Company shall not acquire its own shares, except in any of the following circumstances:

- (1) reducing the registered capital of the Company;
- (2) merging with other companies holding the shares of the Company;
- (3) using shares in employee stock ownership plans or equity incentives;
- (4) shareholders who object to resolution of the general meeting on the merger or division of the Company requesting the Company to purchase their shares;
- (5) using shares for the conversion of convertible corporate bonds issued by the Company into shares;
- (6) when it is necessary to maintain the value of the Company and the interests of shareholders upon listing of the Company;
- (7) other circumstances as permitted by laws, regulations and securities regulatory rules of the place where the Company's shares are listed.

Article 26 The Company may acquire its own shares by means of public centralized trading or other means that are approved by laws, administrative regulations, the Hong Kong Listing Rules, other regulatory rules of the place where the Company's shares are listed, and other means approved by the CSRC.

If the Company acquires its own shares under the circumstances specified in items (3), (5) and (6) in the first paragraph of article 25 of the Articles of Association, it shall do so through public centralized trading.

Article 27 If the Company acquires its own shares for the reasons under items (1) and (2) of article 25, it shall do so through a resolution at the general meeting; if the Company acquires its own shares under the circumstances specified in items (3), (5) and (6) of article 25 of the Articles of Association, it shall do so in accordance with the Articles of Association or through a mandate by the general meeting and with resolution passed at a board meeting attended by more than two-thirds of the directors.

For domestic unlisted shares, after the Company acquires its own shares in accordance with the provisions of article 25 of the Articles of Association, in case of item (1), such shares shall be cancelled within 10 days from the date of acquisition; in case of items (2) and (4), such shares shall be transferred or cancelled within 6 months; in case of items (3), (5) and (6), the number of its own shares held by the Company in aggregate shall not exceed 10% of the total number of the Company's shares in issue, and such shares shall be transferred or cancelled within 3 years.

If laws, regulations or relevant regulatory rules of the place where the Company's shares are listed have other provisions on the matters involved in the repurchase of shares, such provisions shall prevail. Where the Company acquires its own shares, the Company shall fulfil its obligation to disclose the information in accordance with laws, administrative regulations, rules, regulatory documents and the Hong Kong Listing Rules and other relevant provisions.

Section 3 Transfer of Shares

Article 28 The Company's shares shall be transferred in accordance with the law. However, if it is otherwise agreed between the shareholders of the Company, such agreement shall prevail. All transfers of H Shares shall be effected by way of written instrument of transfer in general or ordinary format or any such other format as acceptable to the board of directors (including the standard format of transfer or form of transfer as prescribed by the Hong Kong Stock Exchange from time to time); and such instrument of transfer shall only be signed by hand or, if the transferor or the transferee is the Company, affixed with a valid seal of the Company. If the transferor or transferee is a recognized clearing house as defined under the relevant ordinances of the Hong Kong laws in force from time to time or an agent thereof, the instrument of transfer may be signed by hand or in machine-printed form. All instruments of transfer shall be kept at the legal address of the Company or the places designated by the board of directors from time to time.

Article 29 The Company shall not accept any of its own shares as the subject of pledge.

Article 30 Shares issued by the Company prior to the public issuance of shares shall not be transferred within one year from the date of listing and trading of the Company's shares on the stock exchange. Where there are separate provisions under the laws, administrative regulations, or as prescribed by the CSRC regarding the transfer of shares of the Company held by the shareholders or de facto controller of the Company, such provisions shall prevail.

Directors, supervisors and senior management personnel of the Company shall declare to the Company the shares held by them in the Company and the changes therein, and shall not transfer more than 25% of the total number of shares of the same class held by them in the Company each year during their term of office to be determined at the time of appointment; the shares held by them in the Company shall not be transferred within one year from the date of listing and trading of the Company's shares. The Company's shares held by the afore-mentioned personnel shall not be transferred within half a year after their departure from office.

Where the shares of the Company are pledged within the time limit for transfer prescribed by laws or administrative regulations, the pledgee may not exercise the pledge right within the time limit for transfer.

Article 31 Where the Company's directors, supervisors, senior management members and shareholders who hold more than 5% of the Company's shares sell the shares of the Company or other securities with the nature of equity held by them within six months after having bought such stocks, or buy such stocks within six months after having sold them, all earnings thus obtained shall belong to the Company and be revoked by the board of directors of the Company. However, securities companies that hold more than 5% of the Company's shares due to stand-by underwriting, and those under any other circumstances prescribed by the regulatory rules of the place where the Company's share are listed or the CSRC, shall be excluded.

For the purpose of the preceding paragraph, shares or other securities with the nature of equity held by directors, supervisors, senior management members and natural person shareholders include those held by their spouse, parents, and children and held under accounts opened by others.

Where the board of directors of the Company refuses to comply with the provisions of the first paragraph of this article, the shareholders shall have the right to request the enforcement by the board of directors of the said provisions within 30 days. Where the board of directors of the Company fails to observe the provisions within the aforesaid time limit, the shareholders shall be entitled to, in their own names, directly lodge an action with the people's court for the benefits of the Company.

Where the board of directors of the Company refuses to comply with the provisions of the first paragraph of this article, the responsible directors shall bear joint and several liabilities according to law.

CHAPTER 4 SHAREHOLDERS AND GENERAL MEETING

Section 1 Shareholders

Article 32 The Company shall establish a register of shareholders in accordance with the certificates provided by the securities registration and settlement institution and made the same available at the Company. The register of shareholders shall be sufficient evidence of the shareholders' shareholdings in the Company. Shareholders enjoy rights and assume obligations according to the types of shares they hold. Shareholders holding the same kind of shares shall enjoy the same rights and undertake the same obligations.

The Company shall establish a register of shareholders to record the following matters, or conduct shareholder registration in accordance with laws, administrative regulations, departmental rules and the requirements of the Hong Kong Listing Rules:

- (1) The name, address, occupation or nature of each shareholder;
- (2) The class and number of shares held by each shareholder;
- (3) The amounts paid or payable for the shares held by each shareholder;
- (4) The serial number of the shares held by each shareholder;
- (5) The date on which each shareholder is registered as a shareholder;
- (6) The date on which each shareholder ceases to be a shareholder.

Subject to these Articles of Association and other applicable requirements, once the shares of the Company are transferred, the name of the transferee shall be entered in the register of shareholders as the holder of such shares.

The Company shall keep a complete register of shareholders. The register of shareholders includes the following parts:

- (1) The register of shareholders, except as provided in subparagraphs (2) and (3) of this paragraph, kept at the domicile of the Company;
- (2) The register of shareholders of the Company's overseas listed shares (i.e., register of H Shareholders) kept in the place of the stock exchange where the overseas listing is located;
- (3) The register of shareholders to be kept in other places as determined by the Board for the listing of the Company's shares.

The parts of the register of shareholders should not overlap with each other. A transfer of shares registered in one part of the register of shareholders may not be registered in any other part of the register of shareholders for the duration of the registration of such shares. Alterations or rectification of any part of the register of shareholders shall be effected in accordance with the laws of the place where the part of the register of shareholders is kept.

The Company shall enter into a share custody agreement with the share registrar and regularly verify information regarding substantial shareholders and changes in their shareholdings (including share pledges) in order to monitor the shareholding structure of the Company.

Any member whose name is recorded in the register of shareholders or any person whose name is required to be entered on the register of shareholders may apply to the company for a replacement share certificate(s) when he has lost his share certificate(s). If a holder of domestic shares applies for a replacement share certificate that has been lost, it shall be dealt with in accordance with the relevant provisions the Company Law. Where a holder of overseas listed foreign shares applies for a replacement share certificate that has been lost, such application may be handled in accordance with the law of the place where the original register of shareholders of overseas listed foreign shares is kept, the rules of the securities exchange or other relevant provisions.

Article 33 When the Company convenes a general meeting, distributes dividends, conducts liquidation, or carries out any other matters that require the confirmation of shareholder identity, the Board or the convener of the general meeting shall determine the record date. Shareholders whose names appear on the register of shareholders on the record date shall be entitled to the relevant rights and interests. Where relevant laws and regulations and the Hong Kong Listing Rules provide for the period of closure of the share register before the base day for the holding of a general meeting or the Company's decision to distribute dividends, such provisions shall prevail. However, the period of the aforesaid closure of the share register shall not exceed 30 days in total within one year, but may be extended for not more than another 30 days after consideration and approval at the shareholders' general meeting. If the Company receives an application for inspection of the register of shareholders during the period of closure of the share register, it shall, at the request of the applicant, present to the applicant a certified document signed by the secretary of the Company stating the authority approving the closure of the share register and the duration of such closure.

Article 34 The Shareholders of the Company shall be entitled to below rights:

- (1) To speak and vote at the general meeting, except where a shareholder is, under the Hong Kong Listing Rules, required to abstain from voting for a specific matter;
- (2) To receive dividends and other forms of profit distributions in proportion to their shareholding;
- (3) To request to hold, convene, preside over, attend, or appoint a proxy to attend general meetings, and exercise corresponding rights of speech and voting at such meetings in accordance with laws, except where a shareholder is, under the Hong Kong Listing Rules, required to abstain from voting for a specific matter;
- (4) To supervise the operations of the Company and to make suggestions or inquiries;
- (5) To transfer, donate, or pledge their shares in accordance with laws, administrative regulations, and the Articles of Association;
- (6) To inspect and copy the Articles of Association, register of members, minutes of general meetings, resolutions of the Board meetings, resolutions of the Supervisory Committee meetings, and financial and accounting reports;
- (7) In the event of the termination or liquidation of the Company, the right to participate in the distribution of the surplus assets of the Company according to the number of shares held;
- (8) Shareholders who hold dissent to the resolution on merger or division of the Company passed by the shareholders' general meeting, request the Company to purchase their shares;
- (9) Other rights conferred by laws, administrative regulations, departmental rules, or the Articles of Association.

Article 35 Where shareholders who individually or jointly hold 3% or more of the Company's shares for a period of more than 180 consecutive days request to consult the Company's accounting books and accounting vouchers, he/she shall submit a written request to the Company and explain the purpose. If the Company has reasonable grounds to believe that the purpose of the shareholder's access to the accounting books and accounting vouchers is illegitimate and may damage the legitimate interests of the Company, it may refuse to provide access, and shall reply to the shareholder in writing within 15 days from the date of the shareholder's written request and explain the reasons. If the Company refuses to provide access, the shareholder may initiate a lawsuit in the people's court. The provisions of this Article shall apply to any shareholder who requests to inspect or copy relevant materials of the Company's wholly-owned subsidiaries.

Shareholders who propose to inspect or copy the relevant information as described in the preceding sub-paragraph or request materials shall comply with the applicable administrative regulations, departmental rules, the listing rules of the place where the Company's shares are listed and other laws and administrative regulations, and provide the Company with written documents proving the type and number of shares they hold in the Company. After verifying the shareholder's identity, the Company shall provide the documents as requested by the shareholder.

Article 36 Any resolutions of the general meeting or meeting of the Board of the Company that contravene laws or administrative regulations shall be invalid.

If the convening procedures or voting methods of a general meeting or a meeting of the Board of the Company violate any laws, administrative regulations, or the Articles of Association, or where the contents of the resolution violates the Articles of Association, shareholders shall have the right to request a People's Court to revoke such resolution within 60 days from the date the resolution is approved, except where the defects of the convening procedures or voting methods are minor and have no material impact on the resolution.

If the Board, shareholders or other relevant parties have any dispute over the validity of the resolutions of the general meeting, they shall promptly initiate a lawsuit to the people's court. Relevant parties shall implement the resolutions of the general meeting before the people's court makes a judgment or ruling such as revocation of resolutions. The Company, its directors and senior executives are expected to perform their duties earnestly to ensure the proper functioning of the Company.

Where the people's court makes a judgment or ruling on a relevant matter, the Company shall perform its obligation of information disclosure in accordance with the laws, administrative regulations and the regulatory rules of securities of the place where the Company's shares are listed, fully explain the impact, and actively cooperate with the enforcement of the judgment or ruling after it takes effect. If it involves the correction of previous matters, it will be dealt with in a timely manner and corresponding information disclosure obligations will be fulfilled.

A shareholder who has not been notified to participate in a general meeting may, within 60 days from the date on which he knows or ought to know that a resolution of the general meeting is made, petition the people's court to rescind the resolution; if the shareholder fails to exercise the right of rescission within one year from the date on which the resolution is made, the right of rescission shall be extinguished.

Article 37 Under any of the following circumstances, the resolutions of the general meeting or the board of directors shall be invalid:

- (1) Failure to convene a general meeting or a Board meeting to pass resolutions;
- (2) No votes are held on the resolutions at the general meeting or the Board meeting;
- (3) The number of persons present or the number of voting rights held at the meeting does not reach the number of attendees or number of voting rights held under the Company Law or the Articles of Association;
- (4) The number of persons or the number of voting rights held by the persons agreeing to the matters to be resolved has not reached the number of attendees or number of voting rights held as provided for under the Company Law or the Articles of Association.

Article 38 If a Director or senior management member, when performing their duties, violates laws, administrative regulations, or the Articles of Association and causes losses to the Company, shareholders who individually or jointly hold 1% or more of the Company's shares for a period of more than 180 consecutive days shall have the right to request the Supervisory Committee to initiate legal proceedings in the People's Court in writing. If the Supervisory Committee, when performing its duties, violates laws, administrative regulations, or the Articles of Association and causes losses to the Company, shareholders may request the Board of Directors to initiate legal proceedings in the People's Court in writing.

If the Supervisory Committee or the Board refuses to initiate legal proceedings upon receipt of the written request from the shareholders as stipulated in the preceding paragraph, or fails to do so within 30 days from the date of receipt, or in case of emergency where failure to initiate such proceedings immediately will result in irreparable damage to the interests of the Company, the shareholders described in the preceding paragraph shall have the right to initiate legal proceedings in the People's Court in their own name and in the interest of the Company.

If another person infringes the lawful rights and interests of the Company, thus causing any losses to the Company, the shareholders mentioned in the first paragraph under this article may also initiate legal proceedings in the People's Court in accordance with the preceding two paragraphs.

If a Director, Supervisor or senior management member of a wholly-owned subsidiary of the Company falls under any of the circumstances prescribed in the preceding paragraph, or another person infringes the lawful rights and interests of a wholly-owned subsidiary of the Company, thus causing any losses to the wholly-owned subsidiary of the Company, shareholders who individually or jointly hold 1% or more of the Company's shares for a period of more than 180 consecutive days shall have the right to request the Supervisory Committee or Board of the wholly-owned subsidiary of the Company to initiate legal proceedings in the People's Court in writing or directly initiate legal proceedings in the People's Court in their own name in accordance with the preceding three paragraphs.

Article 39 If a Director or senior management member violates the laws, administrative regulations, or the Articles of Association, thus infringing the rights and interests of shareholders, the shareholders may initiate legal proceedings in a People's Court.

The Company shall be liable for compensation if a Director or senior management member causes damage to others in the performance of their duties; if a Director or senior management member commits willful or gross negligence, they shall also be liable for compensation.

If the Company's controlling shareholders or de facto controllers instruct a Director or senior management member to engage in acts detrimental to the interests of the Company or Shareholders, they shall be jointly and severally liable with such Director or senior management member.

Article 40 Shareholders of the Company shall undertake the following obligations:

- (1) To comply with laws, administrative regulations, and the Articles of Association;
- (2) To pay the application monies according to the number of shares subscribed and the method of subscription;
- (3) Not to surrender the share capital unless required by the laws and regulations;

- (4) Not to abuse the shareholder's rights so as to damage the interests of the Company or those of any other shareholders; not to abuse the independent legal person status and the limited liability owed by the shareholders so as to damage the interests of the Company's creditors;
- (5) Other obligations imposed by laws, administrative regulations, and the Articles of Association.

If shareholders of the Company abuse their shareholders' rights and thereby causing loss to the Company or other shareholders, such shareholders shall be liable for indemnity in accordance with laws. Where shareholders of the Company abuse the Company's status as an independent legal entity and the limited liability owed by the shareholders for the purposes of evading from making debt repayments, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

Article 41 If any shareholder holding more than 5% of the Company's voting shares has pledged such shares, that shareholder shall submit a written report to the Company on the date the pledge occurs.

Article 42 The controlling shareholders, de facto controllers, Directors, supervisors and senior management members of the Company shall not use their connected relations to damage the interests of the Company. If the violation causes losses to the Company, it shall be liable for compensation.

Article 43 The controlling shareholders and de facto controllers of the Company shall have fiduciary duties towards the Company and other shareholders of the Company. The controlling shareholder shall exercise its rights as a capital contributor in strict compliance with the laws. The controlling shareholder shall not damage the legitimate rights and interests of the Company and other shareholders by means of profit distribution, asset restructuring, external investment, fund appropriation, loan guarantee, etc., and shall not use its controlling status to damage the interests of the Company and other shareholders.

Section 2 General Rules for General meetings

Article 44 The general meeting of the Company consists of all shareholders. The general meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with the law:

- (1) To elect and replace non-employee representative directors and supervisors who are and to decide on matters relating to the remuneration of directors and supervisors;
- (2) To consider and approve the reports of the Board;
- (3) To consider and approve the report of the Supervisory Committee;
- (4) To consider and approve the Company's profit distribution plans and loss recovery plans;
- (5) To resolve on the increase or reduction of the registered capital of the Company;
- (6) To resolve on the Company's issue of corporate bonds;

- (7) To resolve on the merger, division, dissolution, liquidation or change of corporate form of the Company;
- (8) Amendments to the Articles of Association;
- (9) To resolve on the appointment, dismissal or discontinuance of the accounting firm engaged in the audit work of the Company and to decide on matters relating to its remuneration;
- (10) To consider and approve matters that shall be considered by the general meeting as stipulated in Article 45 to 48 of the Articles of Association;
- (11) To consider the purchase or disposal of material assets within one year with an amount exceeding 30% of the latest audited total assets of the Company;
- (12) To consider and approve the change in use of proceeds;
- (13) To consider share incentive schemes and employee share ownership schemes;
- (14) To consider the proposals submitted by shareholders who individually or jointly hold 1% or more of the Company's voting shares;
- (15) To consider other matters that shall be resolved as stipulated by the laws, administrative regulations, departmental rules, the Articles of Association or the rules of procedure of the general meeting.

The above functions and powers of the general meeting shall not be exercised by the Board of Directors or other institutions or individuals by way of authorization. The general meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds.

Article 45 The following external guarantees of the Company shall be submitted to the general meeting for consideration after being considered and approved by the Board of Directors:

- (1) A single guarantee with an amount exceeding 10% of the Company's latest audited net assets;
- (2) Any guarantee provided after the total amount of guarantees provided by the Company and its holding subsidiaries has exceeded 50% of the Company's latest audited net assets;
- (3) Guarantees provided for the guaranteed objects whose assets-liability ratio exceeds 70%;
- (4) Any guarantee provided after the total amount of external guarantees of the Company has exceeded 30% of the Company's latest audited total assets;
- (5) Guarantees provided by the Company to others within one year exceeding 30% of the Company's latest audited total assets;
- (6) Guarantees provided to shareholders, de facto controllers and their related parties;

- (7) Other circumstances as stipulated in relevant laws, regulations, other normative documents or the Articles of Association.

The above external guarantees which shall be approved by the general meeting shall be considered and approved by the Board before being submitted to the general meeting for approval. The Board of Directors has the power to consider and approve the external guarantees other than the foregoing which need to be approved by the general meeting.

When the resolution on the guarantee provided to shareholders, de facto controllers and their related parties is considered at the general meeting, such shareholders or shareholders controlled by such de facto controllers shall not participate in the vote. The resolution must be passed by a majority vote of the remaining shareholders present at the general meeting.

The provision of guarantees by the Company for its wholly-owned subsidiaries, or the provision of guarantees for controlled subsidiaries while other shareholders of the such controlled subsidiaries provide guarantees in equal proportion to their shareholdings, may be exempted from submission to the general meeting for consideration under any of the circumstances described in item 1 to 4 of the first paragraph of this article.

Article 46 Transactions (excluding provision of guarantees and provision of financial assistance) of the Company that meet any of the following criteria shall be submitted to the general meeting for consideration and approval after being considered and approved by the Board of Directors:

- (1) The total assets involved in the transaction account for more than 50% of the audited total assets of the Company for the latest period, and if the total assets involved in the transaction include both book value and appraised value, the higher of the total assets shall be used as the basis for calculation;
- (2) The relevant operating income of the transaction subject (such as equity) in the latest accounting year accounts for more than 50% of the audited operating income of the company in the latest accounting year, and the absolute amount exceeds RMB50 million;
- (3) The relevant net profits of the transaction subject (such as equity) in the latest accounting year accounts for more than 50% of the audited net profits of the company in the latest accounting year, and the absolute amount exceeds RMB5 million;
- (4) The transaction amount (including the assumed debts and expenses) accounts for more than 50% of the audited net assets of the company for the latest period, and the absolute amount exceeds RMB50 million;
- (5) The profits generated from the transactions account for more than 50% of the audited net profits of the company in the latest accounting year, and the absolute amount exceeds RMB5 million.

If the data involved in the calculation of the above indicators is negative, its absolute value shall be used for calculation.

Transactions in which the Company unilaterally obtains benefits, including receiving cash assets as donation and obtaining debt relief, may be exempted from going through the procedures for deliberation at the general meeting in accordance with the provisions of the foregoing paragraph.

The above “transactions” include the following: purchase or sale of assets; external investments (including entrusted wealth management, investment in subsidiaries, and excluding the establishment or increase in capital of wholly-owned subsidiaries); leasing in or out of assets; entering into management contracts (including entrusting operation and entrusted operation); donated or received assets; restructuring of claims or debts; transfer of research and development projects; signing of license agreements; waiver of rights (including waiver of right of first refusal and pre-emptive rights in subscription of capital).

The following activities of the Company do not belong to the transactions stipulated in the foregoing paragraph: (1) purchase of raw materials, fuels and power related to daily operations (excluding purchase and sales of such assets involved in the asset replacement); (2) sales of products, commodities and other assets related to daily operations (excluding the purchase and sale of such assets involved in asset replacement); (3) transactions that, while falling under the categories specified in the foregoing paragraph, are part of the Company’s principal business activities.

When the Board of Directors considers the above matters, they must be approved by more than half of all the Directors.

Article 47 Financial assistance matters that fall under any of the following circumstances shall be submitted to the general meeting for consideration after being considered and approved by the Board of Directors:

- (1) The audited asset-liability ratio of the recipient for the latest period exceeds 70%;
- (2) The amount of a single financial assistance or the cumulative amount of the financial assistance provided within 12 consecutive months exceeds 10% of the Company’s latest audited net assets;
- (3) Other circumstances as provided under relevant laws, regulations, other normative documents or the Articles of Association.

Financial assistance matters other than those stipulated in the preceding paragraph shall be considered and approved by the Board of Directors, and shall be approved by more than two-thirds of all directors.

When the recipients of financial assistance are those controlled subsidiaries that fall within the scope of the Company’s consolidated statements and are held as to more than 50% of the shares, and where the other shareholders of such controlled subsidiaries do not include the Company’s controlling shareholders, de facto controllers and their related parties, the provisions in the preceding two paragraphs shall be exempted.

Subject to relevant laws, regulations and rules, and for the benefit of the Company, the Company may, upon resolution of the general meeting or resolution of the Board of Directors pursuant to the Articles of Association or the authorization of the general meeting, provide financial assistance to others for acquiring shares of the Company or its parent company, provided that the total amount of such financial assistance does not exceed 10% of the total issued share capital. Resolutions made by the Board of Directors on the matters under this subparagraph shall be approved by more than two-thirds of all the directors.

Article 48 Transactions (excluding provision of guarantees) between the Company and its related parties with an amount exceeding RMB30 million and accounting for more than 5% of the absolute value of the Company's latest audited net assets shall be submitted to the general meeting for consideration after being considered and approved by the Board of Directors.

When the Company's general meeting considers the related party transactions, the related shareholders shall abstain from voting and shall not vote on behalf of other shareholders.

Article 49 General meetings are divided into annual general meetings and extraordinary general meetings. The annual general meeting shall be convened once a year within six months after the end of the previous financial year. The extraordinary general meeting may be convened from time to time, and in the event of the circumstance that an extraordinary general meeting is required to be convened as prescribed in article 113 of the Company Law and article 50 of the Articles of Association, the extraordinary general meeting shall be convened within 2 months.

Article 50 The Company shall convene an extraordinary general meeting within two months from the date of occurrence of any of the following circumstances:

- (1) The number of directors is less than the number stipulated in the Company Law or less than two-thirds of the number specified in the Articles of Association;
- (2) When the unrecovered losses of the Company account to one-third of the total amount of its share capital;
- (3) When shareholders individually or jointly holding 10% or more of the Company's shares so request;
- (4) When deemed necessary by the Board;
- (5) When proposed by the Board of Supervisors;
- (6) When proposed by more than half of the independent Directors after they have been appointed by the Company;
- (7) Other circumstances stipulated by laws, administrative regulations, departmental rules or the Articles of Association.

Article 51 The Company shall convene a shareholders' general meeting at the address of the Company's domicile or other places specified in the notice of the meeting.

The general meeting will be held in the form of an on-site meeting by setting up a venue. The Company shall also, in accordance with laws, regulations or the Articles of Association, provide convenience for shareholders to attend general meetings through internet, video, telephone or other means. Shareholders who attend the general meeting through the aforesaid ways shall be deemed to be present at the general meeting.

Article 52 If the laws, administrative regulations, department rules, the Hong Kong Listing Rules and other securities regulatory rules of the places where the Company's shares are listed explicitly stipulate that a lawyer must witness and issue a legal opinion when the Company holds a general meeting, the Company will engage a lawyer to issue a legal opinion on the following issues and make a public announcement when holding a general meeting:

- (1) Whether the procedures for convening and holding the meeting comply with the provisions of laws, administrative regulations and the Articles of Association;
- (2) Whether the qualifications of the attendees and the convener are legal and valid;
- (3) Whether the voting procedures and results of the meeting are legal and valid;
- (4) Legal opinions on other relevant issues as required by the Company.

Section 3 Convening of General Meetings

Article 53 The board of directors shall convene general meetings within the prescribed time limits.

Article 54 The independent non-executive directors shall have the right to propose to the board of directors to convene an extraordinary general meeting. The board of directors shall, in accordance with the laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, give a written reply on whether or not to convene the extraordinary general meeting within 10 days after receiving the proposal from the independent non-executive directors.

If the board of directors agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within 5 days after the resolution of the board of directors is passed. If the board of directors does not agree to convene the extraordinary general meeting, it shall explain the reasons and make an announcement.

Article 55 The supervisory committee shall have the right to propose to the board of directors to convene an extraordinary general meeting, and such proposal shall be made in writing. The board of directors shall, in accordance with the laws, administrative regulations, and the Articles of Association, give a written reply on whether to convene the extraordinary general meeting or not within 10 days after receipt of the proposal.

If the board of directors agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within 5 days after the resolution of the board of directors is passed. Any changes to the original proposal made in the notice shall be approved by the supervisory committee.

If the board of directors does not agree to convene the extraordinary general meeting or fails to give a reply within 10 days after receiving the proposal, the board of directors shall be deemed to be unable or fail to perform the duty of convening the general meeting, and the supervisory committee may convene and preside over the meeting on its own.

Article 56 Shareholders individually or jointly holding 10% or more of the Company's shares shall have the right to request the board of directors to convene an extraordinary general meeting, and such request shall be made in writing. The board of directors shall, in accordance with the laws, administrative regulations and the Articles of Association, give a written reply on whether to convene the extraordinary general meeting or not within 10 days after receipt of the proposal.

If the board of directors agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within 5 days after the resolution of the board of directors is passed. Any changes to the original request made in the notice shall be subject to the consent of the relevant shareholders.

If the board of directors does not agree to convene an extraordinary general meeting or does not reply within 10 days upon receipt of the proposal, the shareholders individually or jointly holding more than 10% of the Company's shares shall have the right to propose to the supervisory committee to convene an extraordinary general meeting, and such proposal shall be made in writing.

If the supervisory committee agrees to convene the extraordinary general meeting, it shall issue a notice of general meeting within 5 days upon receipt of the request. Any changes to the original request in the notice shall be approved by the relevant shareholders.

If the supervisory committee fails to issue the notice of the general meeting within the prescribed period, it shall be deemed that the supervisory committee will not convene and preside over the general meeting, and shareholders individually or jointly holding 10% or more of the Company's shares for more than 90 consecutive days may convene and preside over the meeting by themselves.

Article 57 If the supervisory committee or shareholders decide to convene a general meeting on their own, they shall notify the board of directors in writing and, if required, make a filing with the securities regulatory authorities of the place where the Company is incorporated and the place where the Company's shares are listed in accordance with applicable regulations.

The shareholding percentage of the convening shareholders shall not fall below ten percent before any resolution is made by the general meeting.

When issuing the notice of the general meeting and the announcement of the general meeting resolutions, the supervisory committee or the convening shareholders shall, if required, submit relevant supporting documents to the securities regulatory authorities of the place where the Company is incorporated and the place where the Company's shares are listed in accordance with applicable regulations.

Article 58 For general meetings convened by the supervisory committee or shareholders themselves, the board of directors and the board secretary shall provide cooperation. The board of directors shall provide the register of members as of the record date.

Article 59 The necessary expenses for the general meetings convened by the supervisory committee or shareholders themselves shall be borne by the Company.

Section 4 Proposals and Notices of General Meetings

Article 60 Proposals at the general meeting shall be governed by such meeting, with definite subjects and specific matters pending resolution, and shall comply with the relevant provisions under the laws, administrative regulations, the Listing Rules, and the Articles of Association.

Article 61 At the general meeting, the board of directors, the supervisory committee and the shareholders individually or jointly holding 1% or more shares of the Company may propose a proposal to the Company.

Shareholders who individually or collectively hold more than 1% of the Company's shares may submit interim proposals to the board of directors in writing no later than 10 days before the general meeting is convened. Such interim proposals shall have definite subjects and specific matters pending resolution. The board of directors shall notify other shareholders within 2 days after receiving the proposal and submit such interim proposal to the general meeting for consideration, except where the interim proposal violates laws, administrative regulations, the Articles of Association, or falls outside the scope of authority of the general meeting. The Company shall not raise the shareholding percentages for shareholders proposing interim proposals.

Save as provided in the preceding paragraph or as otherwise permitted by laws, regulations, or rules, the convener after sending a notice of meeting shall not modify the proposal listed in the notice of meeting or add a new proposal.

The general meeting shall not vote or resolve on a proposal not listed in the notice of meeting or not in compliance with Article 60.

Article 62 The convener shall notify all shareholders 20 days prior to the annual general meeting, and 15 days prior to the extraordinary general meeting. In determining the notice period, the Company shall not include the date on which the meeting is convened. The notice of a general meeting shall be given to shareholders in a manner that complies with the Hong Kong Listing Rules.

Article 63 The notice of a general meeting shall contain the following:

- (1) the time, place and duration of the meeting;
- (2) matters and proposals to be considered at the meeting;
- (3) a clear statement shall be made to indicate that all shareholders are entitled to attend the general meeting and may appoint a proxy in writing to attend and vote at the meeting, and that such proxy need not be a shareholder of the Company;

- (4) the record date of shareholders' equity rights that they are entitled to attend the general meeting;
- (5) the name and telephone number of the permanent contact person for the meeting;
- (6) the voting time and procedures for meetings convened by means other than physical attendance (including but not limited to the internet, telephone, etc.);
- (7) other requirements stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The notice and supplemental notice of the general meeting shall fully and completely disclose the specific details of all proposals. If independent non-executive directors are required to provide their opinions on the matters to be discussed, such opinions and the reasons therefor shall be disclosed when the notice or supplemental notice of the general meeting is issued. Voting via the internet or other means at the general meeting shall commence no earlier than 3:00 p.m. on the day prior to the physical general meeting, and no later than 9:30 a.m. on the day of the physical general meeting, and shall conclude no earlier than 3:00 p.m. on the day of the physical general meeting.

The interval between the record date and the meeting date shall be no more than seven working days. Once the record date is confirmed, it shall not be changed.

Article 64 Where the election of directors and supervisors is to be discussed at a general meeting, the notice of the general meeting shall fully disclose the particulars of the candidates, which at least shall include the following:

- (1) personal particulars such as educational background, work experience and part-time positions;
- (2) whether there is any related relationship with the Company or the controlling shareholder and the actual controller of the Company;
- (3) the number of shares held in the Company;
- (4) whether they have been subject to any penalties imposed by the CSRC and other relevant authorities, or any disciplinary actions taken by a stock exchange.

Save in the case of the election of directors and supervisors on a cumulative voting basis, a separate resolution shall be proposed for each of the candidates for election as director or supervisor.

Article 65 After the notice of the general meeting is issued, such meeting shall not be adjourned or canceled, and the proposals set out in the notice shall not be withdrawn, without grounded reasons. Once the general meeting is adjourned or canceled, the convener shall notify all shareholders at least 2 working days before the originally scheduled date and explain the reasons.

Section 5 Holding of General meetings

Article 66 The board of directors and other conveners of the Company shall take necessary measures to ensure that the general meeting is held properly. Actions that disrupt the general meeting, create disturbances, or infringe upon the lawful rights and interests of shareholders shall be stopped, and relevant authorities shall be promptly reported for investigation and handling.

Article 67 All shareholders of the Company whose names appear on the register of members on the record date, or their proxies, are entitled to attend the general meeting. Shareholders have the right to speak and vote at the general meeting in accordance with relevant laws, regulations, and the Articles of Association, unless an individual shareholder is required by the Hong Kong Listing Rules to abstain from voting on a particular matter. According to applicable laws, regulations, and the listing rules of the stock exchange where the Company's shares are listed, if any shareholder is required to abstain from voting on any specified resolution, or is restricted to voting only for or against a specified resolution, any votes cast by such shareholder or their representative in violation of this requirement or restriction shall not be counted in the voting results.

Shareholders may attend the general meeting in person, or may appoint one or more persons (who need not be shareholders) as their proxies to attend and vote on their behalf. Shareholders or their proxies are entitled to attend the general meeting and exercise voting rights in accordance with relevant laws, regulations, and the Articles of Association.

Article 68 If an individual shareholder attends the meeting in person, they shall present their identity card or other valid certificate or proof that can prove their identity; if they appoint a proxy to attend the meeting, they shall present their valid identity card and the power of attorney from the shareholder.

A corporate shareholder shall be represented at the meeting by its legal representative or a proxy authorized by the legal representative. If the legal representative attends the meeting, they shall present their identity card or other valid certificates that can prove their identity as a legal representative; if a proxy is authorized to attend the meeting, the proxy shall present their identity card and a written power of attorney legally issued by the legal representative of the corporate shareholder, except where the shareholder is a recognized clearing house or its nominee.

A partnership enterprise shareholder shall be represented by its managing partner (natural person), a representative appointed by the managing partner, or a proxy appointed by either. If the managing partner (natural person) or the representative appointed by the managing partner attends the meeting, they shall present their identity card or other valid certificates that can prove their identity; if a proxy is appointed to attend the meeting, the proxy shall present their identity card and a written power of attorney issued by the managing partner or the representative appointed by the managing partner.

Article 69 The power of attorney issued by a shareholder appointing another person to attend the general meeting shall contain the following:

- (1) the name or designation of the principal, the class and number of shares held in the Company;
- (2) the name or designation of the proxy;
- (3) the matters for which the proxy is appointed and the scope of authority, including whether they have voting rights;
- (4) specific instructions from the shareholder, including instructions to vote for, against, or abstain on each item of business on the agenda of the general meeting, etc.;
- (5) the date of issuance and the validity period of the power of attorney;
- (6) the signature (or seal) of the principal. If the principal is a corporate shareholder, the seal of the corporate shall be affixed.

The instrument appointing a voting proxy shall be deposited at the domicile of the Company or any other place specified in the notice of the meeting at least 24 hours prior to the meeting at which the proxy is authorized to vote, or at least 24 hours prior to the specified time for the voting.

Article 70 The power of attorney shall state whether the proxy may vote as their wishes if the shareholder gives no specific instructions.

Article 71 Pursuant to the instructions of the shareholder, the proxy may exercise (including but not limited to) the following rights: (1) the shareholder's right to speak at the general meeting; (2) the right to demand a poll alone or jointly with others; (3) the right to vote by a show of hands or by poll, unless otherwise provided by relevant laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed, or other securities laws and regulations.

If the shareholder is a recognized clearing house (or its nominee) as defined in the relevant ordinances of Hong Kong formulated from time to time, such shareholder may authorize one or more persons or corporate representatives it deems fit to act as its proxy in any general meeting and creditors' meeting; provided that, if more than one person is so authorized, the power of attorney shall state the number and class of shares in respect of which each such person is so authorized. The person so authorized may exercise rights on behalf of the recognized clearing house (or its nominee) at the meeting, and shall enjoy the same statutory rights as other shareholders, including the right to speak and vote, as if such person were an individual shareholder of the Company.

Article 72 If the power of attorney for voting by proxy is signed by another person authorized by the principal, the power of attorney or other documents authorizing the signature shall be notarized. The notarized power of attorney or other authorizing documents, together with the instrument appointing the voting proxy, shall be deposited at the domicile of the Company or at such other place as specified in the notice convening the meeting.

If the principal is a legal person, its legal representative or a person authorized by its board of directors or other decision-making bodies shall attend the Company's shareholder meeting as a representative.

If the shareholder is Hong Kong Securities Clearing Company Limited, such shareholder is entitled to appoint one or more proxies or corporate representatives to attend general meetings and creditors' meetings, and such proxies or corporate representatives have the same statutory rights as other shareholders, including the right to speak and vote. If two or more persons are so authorized, the power of attorney or authorization letter shall specify the number and class of shares in respect of which each such person is so authorized. A person so authorized may exercise rights on behalf of Hong Kong Securities Clearing Company Limited (or its nominee) without the need to produce the shareholding certificates, notarized authorization letter and/or further evidence of the duly authorization, as if such person was an individual shareholder of the Company.

Article 73 The Company shall prepare a register of attendance of any general meeting, which shall record information such as the names (or entity names) of the attendees, identity card numbers, the number of voting shares held or represented, and the names (entity names) of the principals.

Article 74 The convener and the lawyers engaged by the Company (if any) shall verify the validity of the shareholders' qualifications based on the register of members, and register the names (or designations) of shareholders and the number of their voting shares. Such registration shall be completed before the chairperson of the meeting announces the number of shareholders and proxies attending the meeting in person and the total number of voting shares held by them.

Article 75 If the general meeting requires directors, supervisors and senior management to attend the meeting as non-voting participants, such directors, supervisors and senior management shall attend and accept shareholders' inquiries. Other persons with the consent of the convener may attend the meeting as non-voting participants.

Article 76 A general meeting shall be presided over by the chairman of the board of directors. If the chairman is unable or fails to perform his/her duties, a director jointly elected by more than half of the directors shall preside over the meeting.

If a general meeting is convened by the supervisory committee, it shall be presided over by the chairman of the supervisory committee. If the chairman of the supervisory committee is unable or fails to perform his/her duties, a supervisor jointly elected by more than half of the supervisors shall preside over the meeting.

A general meeting convened by the shareholders themselves shall be presided over by the convener or a representative elected by the convener.

If, during a general meeting, the chairperson violates the rules of procedure such that the meeting cannot proceed, the general meeting may, with the consent of more than half of the attending shareholders with voting rights, elect another person to preside over the meeting and continue with the proceedings.

Article 77 The Company shall formulate rules of procedure for general meetings which shall specify the convening and voting procedure of general meetings, including notification, registration, deliberation of proposals, voting, counting of votes, announcement of voting results, formation of meeting resolutions, minutes of meeting and their signing, as well as principles of authorization to the board of directors by the general meeting. The content of authorization shall be clear and specific. The rules of procedures for general meetings shall be stipulated by the board of directors as an appendix to the Articles of Association and approved by the general meeting.

Article 78 The board of directors and the supervisory committee shall report their work for the past year at the annual general meeting. Each independent non-executive director shall also make a work report.

Article 79 The directors, supervisors and senior management shall provide explanations and responses in respect of the inquiries and suggestions made by the shareholders at any general meeting.

Article 80 The chairperson of a general meeting shall, before the commencement of a vote, announce the number of shareholders and proxies attending the meeting in person and the total number of voting shares held by them, subject to the register of attendance of the meeting.

Article 81 Minutes shall be made of the resolutions passed on the matters deliberated at the general meeting, and shall be prepared by the board secretary or a person designated by the chairman of the board of directors. The minutes of the meeting shall state the following:

- (1) the time, place, agenda of the meeting and name or designation of the convener of the meeting;
- (2) the name of the chairperson of the meeting and the names of the directors, supervisors, general managers and other senior management members attending the meeting or attending such meeting as non-voting participants;
- (3) the number of shareholders and proxies attending the meeting, the total number of voting shares held by them and the proportion to the total number of shares of the Company;
- (4) the consideration and review process, key points of speech on and voting results of each proposal;
- (5) shareholders' inquiries or suggestions and corresponding replies or explanation;
- (6) the names of the lawyers (if any), vote counters, and scrutineers;
- (7) such other matters as specified in the Articles of Association that shall be included in the minutes.

Article 82 The convener shall guarantee the authenticity, accuracy and integrity of the content of the meeting minutes. The chairperson and the directors present at the meeting shall sign the meeting minutes. The meeting minutes shall be kept together with the signature book of the attending shareholders, the power of attorney of the proxies, and the valid information on voting by means other than physical attendance, for a period of not less than 10 years.

Article 83 The convener shall ensure that the general meeting is held continuously until final resolutions have been formed. In the event that the general meeting is suspended or the shareholders fail to reach any resolution due to force majeure or for other special reasons, necessary measures shall be taken to resume the meeting as soon as possible or to terminate the meeting directly, and all shareholders shall be promptly notified.

Section 6 Voting and Resolutions at General Meetings

Article 84 Resolutions at general meetings are classified as ordinary resolutions and special resolutions.

Article 85 An ordinary resolution must be passed by more than half of the voting rights held by shareholders (including their proxies) present at the general meeting.

A special resolution must be passed by at least two-thirds of the voting rights held by shareholders (including their proxies) present at the general meeting.

Article 86 The following matters shall be approved by ordinary resolution at a general meeting:

- (1) the work reports of the board of directors and the supervisory committee;
- (2) the profit distribution plan and loss recovery plan proposed by the board of directors;
- (3) the appointment or removal of members of the board of directors and the supervisory committee not being employee representative, as well as their remunerations and methods of payment;
- (4) the Company's annual report;
- (5) other matters other than those by laws, administrative regulations or the Articles of Association to be passed by special resolution.

Article 87 The following matters shall be passed by a special resolution at a general meeting:

- (1) amendments to the Articles of Association;
- (2) any increase or reduction in the registered capital;
- (3) the merger, division, spin-off, dissolution or liquidation or change of corporate form of the Company;
- (4) acquisition or disposal of major assets or provision of guarantees, where the amount involved exceeds 30% of the Company's most recent audited total assets within a single year;

- (5) share incentive plan and employee shareholding plans;
- (6) other matters that are required by laws, administrative regulations or the Articles of Association or that are deemed by ordinary resolution of the general meeting to have a material impact on the Company and should be passed by special resolution.

Article 88 Shareholders (including their proxies) shall exercise their voting rights based on the number of voting shares they represent, with one vote per Share. On a poll taken at a meeting, shareholders (including proxies of shareholders) entitled to two or more votes need not cast all his/her votes in the same way (vote in favor of, against or abstain from each resolution). However, shares of the Company held by the Company shall carry no voting rights (i.e. treasury shares), and be excluded from the total voting shares held by shareholders present at a general meeting.

Where material issues affecting the interests of minority shareholders are considered at the general meeting, the votes of minority shareholders shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.

The board of directors, independent non-executive directors, shareholders holding more than one percent of the shares with voting rights, or investor protection agencies established in accordance with laws, administrative regulations or the rules of the securities regulatory authorities of the places where the Company's shares are listed may publicly solicit voting rights from shareholders. The solicitation of voting rights from shareholders shall fully disclose to the solicited parties the information such as the specific voting intentions. Provision of compensation or in a disguised form of compensation is prohibited in soliciting shareholders' voting rights. Except for statutory conditions, the Company shall not impose any minimum shareholding restrictions on the solicitation of voting rights.

Article 89 When a related party transactions are being considered at the general meeting, related shareholders shall not vote, and the voting shares they represent shall not be counted in the total number of valid voting shares; the general meeting shall adequately explain information relating to voting by non-related shareholders.

The abstention and voting procedures for related shareholders at the general meeting shall be as follows:

- (1) The chairperson of the meeting shall, before any proposal on related party transactions is considered at the general meeting, inform related shareholders that they are not entitled to vote on the proposal, and announce the number of attending shareholders and proxies other than related shareholders and the total number of their voting shares.
- (2) Where related shareholders participate in voting in violation of the provisions under this article, their voting in respect of matters relating to related party transactions shall be invalid.

- (3) In order to be valid, the resolutions made at the general meeting on matters relating to related party transactions shall be passed by more than half of the votes cast by the non-related shareholders attending the general meeting. However, in order to be valid, in the event of such related party transaction involving matters as stipulated in Article 87 of the Articles of Association, the resolutions of the general meeting must be passed by more than two-thirds of the voting rights held by the non-related shareholders attending the general meeting.

Article 90 Except for special circumstances such as a crisis, the Company will not enter into a contract with a person other than a director, general manager and other senior management members to entrust the management of the Company's entire or important business to such person unless approved by a special resolution of the general meeting.

Article 91 The lists of candidates for election of directors and supervisors shall be submitted to the relevant general meetings in the form of motion for voting. Methods of and procedures for nominating a candidate for director or supervisor shall be:

- (1) Candidates for directors of the first session of the board of directors, candidates for non-employee representative supervisor of the first session of the supervisory committee shall be nominated by the promoters individually or jointly subscribes more than 1% of shares issued by the Company;
- (2) when a re-election of the board of directors or an addition or replacement of director for the incumbent board of directors takes place, the incumbent board of directors and shareholders individually or collectively holding 1% or more of shares of the Company may nominate candidates based on the number of persons to be elected as directors for the next session of the board of directors or additional candidates as directors who are not staff representatives;
- (3) when a re-election of the supervisory committee or an addition or replacement of supervisor for the incumbent supervisory committee takes place, the incumbent supervisory committee and shareholders individually or collectively holding 1% or more of shares of the Company may nominate candidates based on the number of persons to be elected as supervisor for the next session of the supervisory committee or additional candidates as supervisor who are not staff representatives;
- (4) The incumbent board of directors or the supervisory committee shall conduct a review on the qualifications of the director or supervisor candidates nominated by shareholders, and upon passing the review, such candidates shall be submitted to the general meeting for election.

Article 92 When the general meeting votes on election of directors or supervisors, the cumulative voting system may be adopted according to the Articles of Association or the resolution of the general meeting. Cumulative voting shall be adopted for the election of two or more independent directors at a general meeting.

The cumulative voting system mentioned in the preceding paragraph means that when directors or supervisors are being elected at the general meeting, each share has as many voting rights as the number of candidates for directors or supervisors, and the shareholders' voting rights may be used in a concentrated manner. The above voting shall be made as follows:

- (1) The total number of valid votes casted by each shareholder attending the meeting in election of directors or supervisors shall be equal to the number of voting shares held by the shareholder multiplied by the number of directors or supervisors to be elected;
- (2) Each shareholder may cast all his/her votes on single candidate for director or supervisor, or spread his/her votes on different candidates for director or supervisor;
- (3) Votes for single candidate of director, supervisor may be more or less than the number of voting shares held by the shareholder, which do not need to be integral multiples of the number of his/her shares. However, the accumulative number of the votes for all candidates for directors or supervisor shall not exceed the entitled total number of the valid voting rights;

After completion of voting, all the candidates for directors or supervisors shall be elected in descending order according to the number of votes they received, upon the capped number of directors or supervisors to be elected.

Cumulative voting system shall be adopted if a single shareholder and its parties in concert are interested in 30% or above of the shares of the Company.

Article 93 Save under the cumulative voting system, the general meeting shall resolve on all the proposals separately; in the event of several proposals for the same matter, such proposals shall be voted on and resolved in the order of time at which they are submitted. Unless the general meeting is terminated or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused at the general meeting.

Article 94 No amendment shall be made to a proposal when it is considered at the general meeting. If the amendment is made, it shall be deemed as a new proposal and shall not be voted on at the general meeting.

The same voting right can only be exercised in only one form: onsite or otherwise. Where the same voting right is exercised more than once, the voting result of the first time shall prevail.

Article 95 The vote at the general meeting shall be conducted by open ballot.

Article 96 Before proposals are voted on at the general meeting, two shareholders' representatives shall be elected to count and monitor counting of the votes. Where any matters under consideration that are related to shareholders, the said shareholder and proxy thereof shall not participate in counting and monitoring of votes.

When proposals are voted on at the general meeting, lawyer (if any), shareholders' representative and supervisors' representative shall jointly be responsible for the counting and monitoring of the votes and shall announce the voting results on the spot, which voting results shall be recorded in the meeting minutes.

Article 97 A physical general meeting shall not end earlier than the one held via internet or by other means (if any). The chairman of the meeting shall announce details and voting results on each proposal, and whether a proposed resolution has been passed according to such voting results.

Prior to the formal announcement of voting results, the company, vote counters, vote scrutineers, major shareholders, network services providers (if any) and other related parties involved at the physical general meeting, via internet or by other means (if any), shall have an obligation to keep confidential details of the voting.

Article 98 A shareholder attending the general meeting shall express one of the following opinions on any proposal to be voted on: pro, con or abstention, save for the circumstance under which the recognized clearing houses as defined in the relevant regulations in force from time to time under the laws of Hong Kong or their agents which serve as the nominal holders, it shall make declaration according to the instructions of the actual holders.

Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as "abstentions".

Article 99 If the presider has any doubt as to the result of a resolution which has been put to vote at the general meeting, he may have the votes counted. If the presider has not counted the votes, any shareholder who is present in person or by proxy and who objects to the result announced by the presider may, immediately after the declaration of the result, demand that the votes be counted and the presider shall have the votes counted immediately.

Article 100 Resolutions of the general meeting shall specify the number of attending shareholders and their proxies, the total number of voting shares they represent and the proportion of these shares to the total number of the voting shares of the Company, the voting method, the voting result for every proposal and the details of each of the resolutions passed.

Where a proposal has not been passed or the resolutions of the preceding general meeting have been changed at the current general meeting, special mention shall be made in the resolutions of the general meeting.

Article 101 Where a proposal on election of directors, supervisors is passed at the general meeting, the directors, supervisors elected shall take office at the time specified in the resolutions of the general meeting. If the resolutions of the general meeting do not specify the time to take office, the directors, supervisors elected shall take office on the date when the resolution is passed at the general meeting.

Article 102 Where a proposal on cash dividends, bonus shares or increase of equity capital by way of transfer from capital reserves is passed at the general meeting, the Company shall implement the specific scheme within two months after conclusion of the general meeting.

CHAPTER 5 BOARD OF DIRECTORS

Section 1 Directors

Article 103 Directors of the Company are natural persons. A person cannot serve as a director of the Company if any of the following circumstances applies, and a director candidate cannot be nominated as a director of the Company if any of the following circumstances applies:

- (1) a person without capacity or with restricted capacity for civil acts;
- (2) a person who has been sentenced to punishment because of corruption, bribery, infringement of property, misappropriation of property or sabotaging the socialist market economic order; or who has been deprived of his political rights on committing an offence, where less than five years have elapsed since the date of the completion of implementation of such punishment or deprivation, and less than two years have elapsed since the date of the completion of the probation review if a suspended sentence is announced;
- (3) a person who is a director or factory manager, manager of a company or enterprise which has entered into insolvent liquidation and he/she is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;
- (4) a person who is a legal representative of a company or enterprise which had its business licence revoked and ordered for closure due to a violation of law and he/she is personally liable for that, where less than three years have elapsed since the date of the revocation of the business licence and the closure ordered;
- (5) the person is personally liable for a substantial debt which is due for payment but remains unpaid and has been listed as a person subject to enforcement for trust-breaking by the People's Court;
- (6) subject to a market entry ban imposed by the CSRC that prohibits a person from serving as a director, supervisor, or senior management personnel of a listed company, and such ban period remains unexpired;
- (7) publicly deemed unfit by a stock exchange to serve as a director, or senior management personnel of a listed company, and such disqualification period remains unexpired;
- (8) other circumstances as stipulated by the laws, administrative regulations, departmental rules or other contents stipulated in supervisory rules of the place where the Company's Shares are listed.

For any election and appointment of a director in contravention of this article, such election, appointment or employment shall be void and null. Where a director falls into any of the circumstances stipulated in this article in his/her term of office, the director shall be removed from office by the Company.

Article 104 Directors shall be elected or replaced by the general meeting, may be removed before the expiry of their term by an ordinary resolution of the general meeting, subject to compliance with the relevant laws, administrative regulations, departmental rules, regulatory documents and the Hong Kong Listing Rules. The term of office for a director shall be three years and may be re-elected upon the expiry of their term.

The term of a director shall commence from the date of assumption of office and end upon the expiry of the current term of the board of directors. If a director is not elected in a timely manner upon the expiry of the term, the original director shall continue to perform their duties in accordance with the requirements under the relevant laws, administrative regulations, departmental rules, and the Articles of Association until the elected director assumes office.

Where a director resigns, he/she shall notify the Company in writing, and the resignation shall take effect on the day the Company receives the notice, however, if the circumstances specified in the preceding paragraph exist, the director shall continue to perform his/her duties. The general meeting may resolve to remove directors, and the removal shall take effect on the date the resolution is made.

Directors may be concurrently served by the general manager or other senior management members, but the total number of directors concurrently serving as general manager or other senior management members and directors served by employee representatives shall not exceed one-half of the total number of directors of the Company.

The procedures for the selection and appointment of director are as follows:

- (1) Shareholders who individually or jointly own more than 1% of the Company's Shares or the board of directors make a proposal for a director candidate;
- (2) The board of directors reviews the qualifications of director candidates;
- (3) The board of directors submits a proposal for the consideration of the director candidate to the general meeting;
- (4) The proposal for the director candidate is voted on at the general meeting;
- (5) The director approved by the general meeting takes office.

Article 105 Directors shall observe the provisions of laws, administrative regulations and the Articles of Association with the obligations of loyalty to the Company, take measures to avoid conflicts between their own interests and the Company's interests, and must not abuse their authority to seek improper benefits. The directors shall fulfill the following obligations of loyalty to the Company:

- (1) not to exploit his/her position to accept bribes or to obtain other illegal income, and not to encroach upon the Company's properties;
- (2) not to misappropriate the funds of the Company;
- (3) not to deposit the assets or funds of the Company into an account opened in their own names or the name of another individual;
- (4) not to violate the provisions of the Articles of Association by lending the Company's funds to others or using the Company's properties to provide guarantees to others without the consent of the general meeting or the consent of the board of directors;
- (5) not to enter into any contract or conduct any transaction, directly and indirectly, with the Company without reporting to the board of directors or the general meeting and obtaining approval through resolutions by the board of directors or the general meeting as stipulated in the Articles of Association;
- (6) not to take advantage of their positions to seek any business opportunities that are due to the Company for themselves or others, unless such business opportunities are not available to the Company upon reporting to the board of directors or the general meeting and obtaining approval through resolutions by the general meeting or as required in laws, administrative regulations and the Articles of Association; not to conduct any businesses similar to those of the Company for themselves or others without reporting to the board of directors or the general meeting and obtaining approval through resolutions by the general meeting;
- (7) not to accept commissions from transactions with the Company as their own;
- (8) not to disclose the secrets of the Company without authorization;
- (9) not to use their relationship with the Company as related parties to compromise the interests of the Company;
- (10) any other loyalty duties stipulated in the laws, administrative regulations, departmental rules, supervisory rules of the place where the Company's Shares are listed and the Articles of Association.

Any gain arising from the violation of the provisions by directors shall belong to the Company. Such directors shall be liable for compensation for any loss of the Company arising therefrom.

Article 106 Directors shall owe diligence duties to the Company according to laws, administrative regulations and the Articles of Association. In performing their duties, they shall exercise the level of care that a reasonably prudent manager would exercise in the best interests of the Company. Directors shall comply with laws, administrative regulations, supervisory rules of the place where the Company's Shares are listed and the Articles of Association, and perform their diligence obligations to the Company as follows:

- (1) to exercise the rights accredited by the Company in cautious, serious and due diligent manners so as to ensure that the commercial behaviors of the Company are in compliance with the PRC laws, administrative regulations and economic policies, and the commercial activities do not exceed the scope of business stipulated in the business license;
- (2) to treat all shareholders in a fair and equitable manner;
- (3) to acquire the knowledge of the business operation and management of the Company on a timely basis;
- (4) to sign the written confirmation of regular reports of the Company;
- (5) to provide the relevant true details and data to the supervisory Committee, and not to interfere with the supervisory Committee or its supervisors in their exercise of powers;
- (6) to actively cooperate with the implementation of the resolutions of the general meeting, and shall not impede the reasonable and normal business plan of the Company;
- (7) other duties of diligence stipulated by the laws, administrative regulations, departmental rules, supervisory rules of the place where the Company's Shares are listed and the Articles of Association.

Article 107 Where a director, directly or indirectly, enters into a contract or transaction with the Company, he/she shall report the matters in connection with such contract or transaction to the board of directors, and such contract or transaction shall be subject to the approval by a resolution of the board of directors in accordance with the provisions of the Articles of Association.

The provisions of the preceding paragraph shall also apply where a close relative of a director, an enterprise directly or indirectly controlled by a director or his close relatives, or related part with other related relationship with the director, enters into a contract or transaction with the Company.

Article 108 No director may take advantage of his/her position to seek any business opportunity that belongs to the Company for himself/herself or any other person. However, except under any of the following circumstances:

- (1) to report to the board of directors or at the general meeting and obtaining approval by a resolution of the board of directors or at the general meeting in accordance with the provisions of the Articles of Association;
- (2) the Company is not allowed to take advantage of business opportunity as stipulated by the provisions of laws, administrative regulations or the Articles of Association.

Article 109 Directors cannot operate a business similar to the business of the Company for the benefit of themselves or others, without reporting to the board of directors or at the general meeting and with obtaining approval by a resolution of the board of directors or at the general meeting in accordance with the provisions of the Articles of Association.

Article 110 Any director who fails to attend the board of directors in person and has not entrusted other directors to attend the meeting on his/her behalf for two consecutive times shall be deemed as unable to perform his duties. The board of directors shall propose to the general meeting to remove such director.

Article 111 A director may resign before the expiry of his/her tenure. The resigning director shall submit to the Company a written resignation. The resignation took effect on the date the Company received the written resignation. The Company shall disclose the relevant information within 2 trading days.

If the board of directors of the Company falls below the statutory minimum due to the resignation of directors, the original directors shall still perform their duties as directors in accordance with laws, administrative regulations, departmental rules, the security regulatory rules of the place where the Company's shares are listed and the Articles of Association before the re-elected directors take office.

Except the circumstances specified in the preceding paragraph, the resignation of a director shall be effective when the resignation report is served to the Company.

Article 112 When a director's resignation takes effect or the term of service expires, the director shall complete all transfer procedures with the board of directors. His/her fiduciary duties towards the Company and the Shareholders do not necessarily cease after the end of his/her term of service and shall still be in effect for a period of three years after resignation takes effect or the term of service expires.

The duty of confidentiality of directors in respect of trade secrets of the Company survives the termination of their tenure, until such secrets become publicly available information. The duration of other obligations of directors to the Company shall be determined according to the principle of fairness, depending on the duration between the act concerned and the termination and the specific circumstances and conditions under which the relationship between the director and the Company was terminated. The liability that a director bears during the term of office due to the performance of his/her duties shall not be waived or terminated upon leaving office.

Article 113 In the absence of specification in the Articles of Association or legitimate authorization by the board of directors, no director shall act in his/her personal capacity on behalf of the Company or the board of directors. When a director acts in his/her personal capacity, but a third party may reasonably believe that the director is representing the Company or the board of directors, that director shall declare his/her stance and capacity in advance. Where a director causes damage to others when carrying out his duties, the Company shall be liable for compensation; where a director acts with willful or material default, they shall also be liable for compensation.

If a director violates any laws, administrative rules, departmental rules and the provisions stipulated in the Articles of Association in the course of performing his/her duties of the Company and subsequently causes losses to the Company, he/she shall be liable for compensation.

Article 114 The issues including conditions of appointment, nomination and election procedures, term of office, resignation, functions and powers of the independent non-executive directors shall be implemented in accordance with the relevant provisions of the laws, administrative regulations, departmental rules and the regulatory rules of the place where the Company's shares are listed. If there is a conflict among Shareholders or directors of the Company that has a material impact on the operation and management of the Company, the independent non-executive Directors shall actively perform their duties to safeguard the overall interests of the listed company.

Section 2 Board of Directors

Article 115 The Company shall establish a board of directors which shall be accountable to the general meeting.

Article 116 The board of directors shall consist of [•] directors, including one chairperson and [•] independent non-executive directors. All directors shall be elected at the general meeting.

Article 117 The board of directors shall exercise the following powers:

- (1) To convene general meetings and report its work to the general meeting;
- (2) To implement the resolutions of the general meeting;
- (3) To determine the Company's business plans and investment proposals;
- (4) To formulate the Company's profit distribution plan and loss recovery plan;
- (5) To formulate plans for the Company's increase or reduction of registered capital, issuance of bonds or other securities and listing;
- (6) To formulate plans for the Company's major acquisitions, repurchase of the Company's shares or mergers, divisions, dissolution and change of corporate form;
- (7) Within the scope of authority granted by the general meeting, to decide on matters such as the Company's external investments, acquisition or disposal of assets, asset mortgages, external guarantees, entrusted financial management, related party transactions and external donations;
- (8) To decide on the establishment of the Company's internal management structure;
- (9) To decide on the appointment or dismissal of the Company's general manager and determine his/her remuneration; decide, based on the general manager's nomination, on the appointment or dismissal of Company's deputy general managers, chief financial officer and other senior management personnel and determine their remuneration;
- (10) To formulate the Company's basic management system;
- (11) To formulate proposals for amendments to the Articles of Association;
- (12) To manage the Company's information disclosure matters (if any);

- (13) To hear the Company's general manager's work report and review the general manager's work;
- (14) To make resolutions regarding the appointment and dismissal of the Company's auditor firm;
- (15) Other duties and powers granted by laws, administrative regulations, departmental rules, the Articles of Association, unanimous consent of all shareholders or the general meeting.

Matters beyond the scope of the general meeting's authorization should be submitted to the general meeting for consideration.

The board of directors of the Company shall set up an audit committee, and shall set up special committees such as a strategy committee, a nomination committee, a remuneration and assessment committee as needed. Such special committees shall be responsible to the board of directors, perform their duties in accordance with the Articles of Associations and the authorization of the board of directors, and the proposals of such committees shall be submitted to the board of directors for review and consideration. All members of the special committees are composed of directors, with independent directors making up the majority and serving as the convenors of the audit committee, nomination committee, and remuneration and assessment committee. The convenor of the audit committee must be a professional accountant. The board of directors shall be responsible in formulating the rules of procedures of the special committees to regulate their operation.

Article 118 The board of directors of the Company shall make a statement to the general meeting regarding the non-standard audit opinion issued by the certified public accountant on the Company's financial report.

Article 119 The board of directors shall formulate the rules of procedure of the board of directors to ensure that the board of directors implements the resolutions of the general meeting, so as to improve work efficiency and to ensure scientific decision making. The rules of procedure of the board of directors shall be annexed to the Articles of Association and shall be drafted by the board of directors and approved by the general meeting.

Article 120 The board of directors' decision-making authority on matters such as Company's external investments, acquisition or disposal of assets, asset mortgages and pledges, external guarantees, entrusted financial management, related party transactions, external donations and debt financing shall be subject to the provisions of the Company's specific rules and regulations.

Article 121 The board of directors shall have one chairman, who shall be elected by more than half of all directors at the board meeting.

Article 122 Chairman of the board of directors shall exercise the following functions and powers:

- (1) To preside over the general meeting, convene and preside over the meeting of the board of directors;
- (2) To supervise and inspect the implementation of the resolutions of the board of directors;
- (3) Other powers delegated by the board of directors.

Article 123 If the chairman is unable or fails to perform his/her duties, a director jointly elected by more than half of the directors shall preside over the meeting.

Article 124 The board of directors shall hold at least two meetings annually, convened by the chairman, with written notice sent to all directors and supervisors at least ten days prior to the meeting. If an extraordinary board meeting is to be held, a written notice shall be given to all directors and supervisors two days prior to the meeting, unless in an emergency situation or otherwise provided in the Articles of Association or the Rules of Procedure for Board Meetings. The notice period stipulated in the preceding paragraph may be waived with the consent of all directors.

Article 125 Shareholders representing more than one-tenth of the voting rights, more than one-third of the directors, more than one-half of independent directors (if any) or the supervisory committee may propose to convene an extraordinary meeting of the board of directors. The chairman of the board of directors shall convene and preside over the board meeting within 10 days from the receipt of the proposal.

Article 126 The notice of the board meeting shall include the following:

- (1) the time and venue of the meeting;
- (2) the duration of the meeting;
- (3) the reasons and subject matters;
- (4) the date of issuing the notice.

A verbal notice of a board meeting shall at least include items (1) and (3) above, and the explanations for an extraordinary board meeting convened in special circumstances or emergencies.

Article 127 A board meeting shall be held with the presence of more than half of the directors. Resolutions of the board of directors must be approved by more than half of all directors, unless otherwise stipulated by the Articles of Association or agreed upon by all shareholders.

The voting on board resolutions is based on one vote per director. In the case of equal division of votes, the chairman of the board of directors is entitled to an additional vote.

If any director has connected relationship or other conflict of interests with the entity or individual involved in the resolution of a board meeting, such director shall report in writing to the board of directors in a timely manner and abstain from voting on the resolution and shall not vote on behalf of other directors. The board meeting may be held when more than half of the directors who have no connected relationship or conflict of interests are present. The resolution of the board meeting shall be passed by more than half of directors who have no connected relationship or conflict of interests. If the number of directors who have no connected relationship or conflict of interests attending the meeting is less than three, the matter shall be submitted to the general meeting for approval.

Article 128 The resolution of the board meeting shall be voted by a show of hand, oral vote or poll.

Subject to the protection of directors' rights to fully express their opinions, the extraordinary board meeting may be convened through telephone conference, video conference, fax, email or written signature, and resolutions shall be made and signed by the attending directors. The extraordinary board meeting may also be convened on site and by other means simultaneously.

Where an extraordinary board meeting is not held on site, the number of directors present is calculated according to the directors present in the video, the directors expressing opinions in the teleconference, the number of valid votes by means of faxes, emails or circulation of written resolutions received within the specified period, or the written confirmations submitted by the directors after the meetings.

Where any director is unable to sign the minutes at such meeting in a timely manner, such director shall vote orally and complete the procedure of written signature as soon as possible. The director's oral vote shall have the same effect as written signature, provided that the subsequent written signature shall be consistent with the oral vote during the meeting. Where the written signature is not consistent with the oral vote, the oral vote as reflected in the minutes shall prevail.

If a board meeting is convened by written signature, which means the resolutions are made through separately serving or circulating for consideration, the director and another director entrusted by him/her shall state clearly his/her affirmative or negative opinions on the resolutions. Once the number of directors who sign in favor of a resolution reaches the quorum as required by the Articles of Association, the resolution shall become a resolution of the board of directors.

Article 129 The directors shall attend a board meeting in person. If a director is unable to attend for any reasons, he/she may appoint another director by a written power of attorney to attend the meeting on his/her behalf. The power of attorney shall specify the name of the proxy, the matters for entrustment, the scope of authorisation and validity period, and shall be signed or sealed by the principal. The director who attends the meeting on behalf of any other shall exercise the rights of a director within the scope of authorisation. A director who does not attend a board meeting in person or by proxy shall be deemed to have abstained from voting at such meeting.

Article 130 The board of directors shall prepare minutes of the meeting's decisions on the matters discussed at the meeting, and the directors attending the meeting shall sign on the meeting minutes. The directors are entitled to request inclusion of explanations in the minutes regarding their speeches made at the meeting.

Minutes of board meetings shall be kept as corporate records for at least 10 years.

Article 131 The minutes of the board meeting shall include the following:

- (1) the date, venue and name of the convener of the meeting;
- (2) the names of the directors present at the meeting, and the names of directors (proxies) present at the meeting appointed by other directors;
- (3) the meeting agenda;
- (4) summaries of the speeches of directors;
- (5) the voting methods and results for each resolution (the voting results shall indicate the number of votes for, against or abstention).

Article 132 With the approval of general meetings, the Company may purchase liability insurance for directors. The coverage of liability insurance shall be agreed upon in a contract, except for liability resulting from violation of laws, regulations and the Articles of Association by directors.

Section 3 Special Committees under the Board

Article 133 The board of directors of the Company shall set up an audit committee. The audit committee shall consist of three members, including two independent non-executive directors, and shall be chaired/convened by an independent non-executive director.

Article 134 The audit committee is responsible for reviewing the Company's financial information and its disclosure, monitoring and evaluating internal and external audit work and internal controls and the following matters shall be submitted to the board of directors for consideration with the approval of a majority of the members of the audit committee:

- (1) disclosure of financial information in financial accounting reports and regular reports, and the internal control evaluation reports;
- (2) engagement or dismissal of the accounting firm that undertakes the auditing of the listed company;
- (3) appointment or dismissal of the financial controller of the listed company;
- (4) changes in accounting policies, accounting estimates, or correction of significant accounting errors for reasons other than changes in accounting standards;
- (5) other matters stipulated by laws, administrative regulations, requirements of the CSRC and the Articles of Association.

Article 135 The audit committee shall convene a meeting at least once a quarter, and may convene extraordinary meetings upon the proposal of two or more members, or when the convener deems necessary. Meetings of the audit committee shall be held with the attendance of at least two-thirds of the members.

Resolutions made by the audit committee shall be approved by more than half of the members of the audit committee.

Voting on resolutions of the audit committee shall be conducted on the basis of one vote per member.

The audit committee shall prepare meeting minutes for its resolutions in accordance with the regulations, and the members of the audit committee attending the meeting shall sign on the meeting minutes. The board of directors shall be responsible for formulating the working procedures of the audit committee.

Article 136 The board of directors of the Company shall set up a nomination committee, a remuneration committee and other special committees, and such special committees shall perform their duties in accordance with the Articles of Associations and the authorization of the board of directors, and the proposals of such committees shall be submitted to the board of directors for review and consideration. The board of directors shall be responsible for formulating the working procedures of such special committees. The composition of members of the special committees shall be in compliance with laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed or the relevant requirements as stipulated by the relevant regulatory authorities.

Article 137 The nomination committee is responsible for developing standards and procedures for the election of directors, supervisors and senior management members, and selecting and examining the qualifications of the candidates for directors, supervisors and senior management members, and making recommendations to the board of directors on the following matters:

- (1) nomination, appointment or removal of directors and supervisors;
- (2) appointment or dismissal of senior management members;
- (3) other matters stipulated by laws, administrative regulations, requirements of the CSRC, the securities regulatory rules of the place where Company's shares are listed and the Articles of Association.

If the board of directors does not adopt or does not fully adopt the recommendations of the nomination committee, it shall record the opinion of the nomination committee and specific reasons for its non-adoption in the resolution of the board of directors and disclose the same.

Article 138 The remuneration committee is responsible for formulating evaluation standard for directors, supervisors and senior management members and implementation of the evaluation, and formulating and reviewing the remuneration determination mechanisms, decision-making procedures, payment and suspension of payment and recovery arrangements and other remuneration policies and plans for directors, supervisors and senior management members, and making recommendations to the board of directors on the following matters:

- (1) remuneration of directors, supervisors and senior management members;
- (2) formulation of or change to equity incentive plans and employee stock ownership plans, and conditions for incentive participants to be granted with and exercise interests;
- (3) arrangement of stock ownership plans for subsidiaries to be spun off by directors, supervisors and senior management members;
- (4) other matters stipulated by laws, administrative regulations, requirements of the CSRC, the securities regulatory rules of the place where Company's shares are listed and the Articles of Association.

If the board of directors does not adopt or does not fully adopt the recommendations of the remuneration and assessment committee, it shall record the opinion of the remuneration and assessment committee and specific reasons for its non-adoption in the resolution of the board of directors and disclose the same.

CHAPTER 6 GENERAL MANAGER AND OTHER SENIOR MANAGEMENT MEMBERS

Article 139 The Company shall have one general manager, who shall be appointed or dismissed by the board of directors. The Company shall have several deputy general managers, who shall be appointed or dismissed by the board of directors. The general manager, deputy general managers, chief financial officer, and secretary to the board of directors of the Company are senior management members of the Company.

Article 140 The circumstances of disqualification for directors and departure management system prescribed in Article 103 of the Articles of Association shall also be applicable to senior management members.

The provisions in Article 105 and Article 106 (4) to (7) of the Articles of Association regarding the fiduciary duties and duties of diligence of directors shall also apply to senior management members.

The provisions prescribed in Article 107 to 109 of the Articles of Association shall also be applicable to senior management members.

Article 141 Any person who holds any positions (other than director or supervisor) in the controlling shareholder or de facto controller group of the Company shall not hold any office of senior management member in the Company concurrently. The senior management members shall receive their remunerations from the Company only, rather than from the controlling shareholder.

Article 142 Each term of the general manager shall be three years and may be re-appointed upon reappointment.

Article 143 The general manager shall be accountable to the board of directors and shall exercise the following functions and powers:

- (1) To be in charge of the Company's production, operation and management, and to organize and implement the resolutions of the board of directors and report on works to the board of directors;
- (2) To organize and implement the Company's annual business plan and investment proposals;
- (3) To draft plans for the establishment of the Company's internal management organizations;
- (4) To draft the Company's basic management system;
- (5) To formulate specific rules and regulations for the Company;
- (6) To propose the appointment or dismissal of the Company's deputy general manager(s) and the financial controller to the board of directors;
- (7) To decide on the appointment or dismissal of management personnel, excluding those to be decided by the board of directors;
- (8) To determine other matters, excluding those that must be approved by the general meeting or the board of directors as stipulated by the Articles of Association;
- (9) To exercise other powers and functions granted by the Articles of Association, the Working Rules of the General Manager or the board of directors.

The general manager shall attend meetings of the board of directors.

Article 144 The general manager shall formulate relevant working rules, which shall come into effect upon approval by the board of directors.

Article 145 The working rules of the general manager shall include:

- (1) the conditions, procedures and attendees for convening general manager's meetings;
- (2) the respective duties and division of responsibilities among the general manager and other senior management members;
- (3) use of funds and assets of the Company, limits of his/her authority to enter into important contracts, and the system to report to the board of directors or the supervisory committee;
- (4) other matters deemed necessary by the board of directors.

Article 146 The general manager may resign before his/her term of office expires. The procedure and rules for resignation of the general manager shall be specified in the employment contract between the general manager and the Company.

Article 147 As the assistant(s) to the general manager, the deputy general manager(s) shall be in charge of the work assigned and instructed by the general manager; shall be accountable to the general manager and issue relevant business documents within the scope of their duties.

When the general manager is unable to exercise his/her functions and powers, the deputy general manager(s) may be entrusted by the general manager to act on behalf of the general manager.

Article 148 The secretary to the board of directors of the Company shall be responsible for matters such as the preparations for general meetings and board meetings, keeping of documentation and shareholders' data and handling of matters relating to information disclosure (if any). The secretary to the board of directors who do not serve concurrently as a director shall be present at board meetings.

The secretary to the board of directors shall comply with relevant requirements under the laws, administrative regulations, departmental rules and the Articles of Association.

Article 149 Any senior management member who violates any law, administrative regulation, departmental rules or the Articles of Association in the performance of his/her duties and thereby causes losses to the Company shall be liable for compensation.

Article 150 The senior management members of the Company should faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If the senior management members of the Company fail to faithfully perform their duties or violate their fiduciary obligations, thereby causing damage to the interests of the Company and the shareholders, they shall be liable for compensation in accordance with the law.

CHAPTER 7 SUPERVISORY COMMITTEE

Section 1 Supervisors

Article 151 The circumstances of disqualification for directors prescribed in Article 103 of the Articles of Association shall also be applicable to supervisors.

Directors, the general manager and other senior management personnel may not concurrently serve as supervisors.

The provisions prescribed in Article 107 to 109 of the Articles of Association shall also be applicable to supervisors.

Article 152 The shareholder representative supervisors shall be elected at the general meeting and the employee representative supervisors shall be elected by the Company's employees through the employee representatives' congress, general staff meeting, or other democratic forms. Each term of a supervisor shall be three years. Upon expiry of their term, supervisors may be re-elected and re-appointed.

Article 153 If a Supervisor's term expires without a timely re-election, or if a resignation during the term results in the number of supervisors falling below the quorum, the original supervisor shall continue to perform supervisory duties in accordance with the requirements under the applicable laws, administrative regulations and the Articles of Association until a new supervisor assumes office.

Article 154 Supervisors shall ensure that the information disclosed by the Company shall be true, accurate and complete and shall sign a written confirmation of its periodic reports.

Article 155 Supervisors may be present at meetings of the board of directors and make enquiries or recommendations on matters to be resolved by the board of directors.

Article 156 Supervisors shall not use their related relationships to damage the interests of the Company, and shall be liable for compensation if they cause losses to the Company.

Article 157 If the supervisors violate the laws, administrative regulations, departmental rules and the Articles of Association when performing their duties, causing damage to the interests of the Company, they shall be liable for compensation.

Section 2 Supervisory Committee

Article 158 The Company shall establish a supervisory committee. The supervisory committee shall consist of three supervisors. The supervisory committee shall have one chairperson. The chairperson of the supervisory committee shall be elected by a majority of all the supervisors. The chairperson shall convene and preside over meetings of the supervisory committee; if the chairperson is unable or fails to perform his/her duties, more than half of the supervisors shall jointly elect one supervisor to convene and preside over the meeting.

The supervisory committee shall consist of two shareholder representatives and one employee representative. The employee representative(s) on the supervisory committee shall be elected by the Company's employees through the employee representatives' congress, general staff meeting, or other democratic forms.

Article 159 The supervisory committee shall exercise the following powers:

- (1) To review the periodic reports prepared by the board of directors and provide written review opinions;
- (2) To examine the financial condition of the Company;

- (3) To supervise the conduct of the directors and senior management in performing their duties for the Company, and propose the dismissal of any director or senior management personnel who violates laws, administrative regulations, the Articles of Association, the regulatory rules of the place where Company's shares are listed or resolutions of the general meeting;
- (4) To require the directors and senior management to take corrective action if their conduct is found to be detrimental to the interests of the Company;
- (5) To propose the convening of an extraordinary general meeting and convene and preside over the general meeting when the board of directors fails to fulfill its duties in convening and presiding over the general meeting;
- (6) To put forward proposals at the general meeting;
- (7) To initiate legal proceedings against the directors and senior management in accordance with Article 189 of the Company Law;
- (8) To conduct investigations upon identifying irregularities in the Company's operations, and, where necessary, to engage external professional institutions such as accounting firms or law firms to assist, with expenses borne by the Company;
- (9) To exercise such other powers and functions as may be conferred by the Articles of Association.

Article 160 The supervisory committee shall meet at least once every six months. Notice of the meeting shall be delivered in written form to all supervisors at least 10 days prior to the meeting.

Any supervisor may propose the convening of an extraordinary meeting of the supervisory committee. For an extraordinary meeting of the supervisory committee, written notice shall be given 2 days before the meeting; however, in case of urgent reasons, the meeting can be convened at any time through oral, telephone, email or other means.

Voting on resolutions of the supervisory committee shall be conducted by a show of hands or by open ballot. Each supervisor shall have one vote. Resolutions of the supervisory committee shall be adopted by a majority of all supervisors.

Article 161 The supervisory committee shall formulate rules of procedure for the supervisory committee, specifying the procedures for the discussion of matters and voting at such meetings to ensure the efficiency of the work and the scientific decision-making of the supervisory committee.

The rules of procedure for the supervisory committee attached as an appendix to the Articles of Association shall be formulated by the supervisory committee and approved by the general meeting.

Article 162 The supervisory committee shall prepare minutes of the meeting's decisions on the matters discussed, and the supervisors attending the meeting shall sign on the meeting minutes.

Supervisors are entitled to request inclusion of explanations in the minutes regarding their speeches made at the meeting. Minutes of supervisory committee meetings shall be kept as corporate records for at least 10 years.

Article 163 A notice of the meeting of supervisory committee shall include the followings:

- (1) the date, venue and duration of the meeting;
- (2) the reasons and matters for discussion;
- (3) the date of the notice.

CHAPTER 8 FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Section 1 Financial and Accounting System

Article 164 The Company shall formulate its financial accounting systems in accordance with laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and regulations of relevant departments.

Article 165 At the end of each accounting year, the Company shall prepare a financial report which shall be audited according to law.

The Company's financial reports shall include the following financial and accounting statements as well as schedules of breakdowns:

- (1) Balance sheet;
- (2) Statement of profit and loss;
- (3) Statement of cash flow;
- (4) Notes to the financial and accounting statements;
- (5) Statement of profit distribution.

Where laws, administrative regulations, normative documents promulgated by competent authorities, and regulatory rules of the place where the Company's shares are listed otherwise specify regarding the financial reports, those provisions shall prevail.

Article 166 The board of directors of the Company shall place before the shareholders at each annual general meeting such financial reports as relevant laws, administrative regulations and normative documents promulgated by the local government and the competent authorities as well as the provisions of the place where the Company's shares are listed require the Company to prepare.

Article 167 The Company's financial reports shall be made available for shareholders' inspection at the Company 20 days prior to the date of the annual general meeting.

Article 168 The Company shall dispatch (herein referred to as "send") by post, with postage prepaid, to each holder of overseas listed shares an annual report comprising the annual accounts and a copy of the auditor's report thereon not less than 21 days before the date of the annual general meeting. The address of each shareholder should be the address listed on the register of shareholders of the Company. Subject to the requirements of laws, administrative regulations or regulatory rules of the place where the Company's shares are listed, such information may be given by way of announcement (including through the website of the Company and the website of the Hong Kong Stock Exchange). Once the announcement is made and relevant procedures are fulfilled in accordance with laws, administrative regulations and regulatory rules of the place where the Company's shares are listed, all shareholders shall be deemed to have received the aforementioned financial report.

Article 169 The interim results or financial information published or disclosed by the Company shall be prepared in accordance with the relevant laws, administrative regulations, requirements of the CSRC and the stock exchanges of the places where the Company's shares are listed.

Article 170 The Company shall not keep accounts other than those provided by law. Any fund of the Company shall not be kept under any account opened in the name of any individual.

Article 171 When distributing after-tax profits of the year, the Company shall allocate 10% of its after-tax profits for the Company's statutory reserve fund. When the aggregate balance in the statutory reserve fund has reached 50% or more of the Company's registered capital, the Company needs not to make any further allocations to that fund.

Where the Company's statutory reserve fund is not enough to make up losses of the Company for the preceding year, the current year's profits shall be applied firstly to make up the losses before being allocated to the statutory reserve in accordance with the preceding provision.

Subject to a resolution passed at a general meeting, after allocation has been made to the Company's statutory reserve fund from its after-tax profits, the Company may set aside funds for the discretionary reserve fund from its after-tax profits.

Except for those unanimously agreed by all Shareholders or not distributed in proportion as prescribed in the articles of association, the remaining after-tax profit, after recovery of losses and appropriation of reserve funds, shall be distributed to shareholders in proportion to their shareholdings.

If the Company distributes profits to shareholders in violation of the Company Law and the provisions of this articles of association, shareholders shall refund to the Company the profits distributed in violation of the provisions; if losses are caused to the Company, the shareholders and the responsible Directors, supervisors and senior management shall be liable for compensation.

No profit shall be distributed in respect of the shares of the Company which are held by the Company.

Article 172 The reserve of the Company shall be applied to making up for the Company's losses, expanding its business operations or increasing its registered capital.

If the surplus fund is used to make up for the Company's losses, the Company shall first utilize discretionary surplus fund and statutory surplus fund. If such surplus funds are insufficient to cover the losses, the Company may use capital surplus fund in accordance with relevant regulations.

Upon the conversion of statutory reserve into registered capital, the balance of the statutory reserve shall not be less than 25% of the registered capital of the Company before such conversion.

Section 2 Internal Audit

Article 173 The Company shall implement its internal audit system with professional auditors to carry out internal audit supervision to the financial income and expenditure and economic activities of the Company.

Article 174 The internal audit system of the Company and the duties of the auditing staff shall be subject to the approval of the board of directors. The officer in charge of audit shall be accountable to the board of directors and report his/her work to the same.

Section 3 Appointment of Accounting Firm

Article 175 The Company shall engage an accounting firm which complies with the requirements of the Securities Law of the PRC to audit the financial statements, net assets verification and other relevant consultancy services. The term of office of an accounting firm appointed by the Company shall be one year, and may be renewed.

Article 176 The engagement of an accounting firm by the Company shall be determined at the shareholders' general meeting, and the board of directors shall not engage an accounting firm before any decision is made at the shareholders' general meeting.

Article 177 The Company shall ensure to provide true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting data to the accounting firm it engages, without any refusal, withholding or misrepresentation.

Article 178 The audit fee of the accounting firm or the method of determination of the same shall be determined by the shareholders' general meeting.

Article 179 A 10-day prior notice shall be given to the accounting firm if the Company decides to dismiss such accounting firm or not to renew the engagement thereof. The accounting firm is allowed to make representations when the shareholders' general meeting of the Company conducts a vote on the dismissal of the accounting firm.

Where the accounting firm resigns, it shall make clear to the shareholders' general meeting whether there has been any impropriety on the part of the Company.

Section 4 Notice and Announcement

Article 180 Notices of the Company may be delivered by the following means:

- (1) by designated person;
- (2) by express delivery, post, e-mail or fax;
- (3) by announcement;
- (4) by publishing information on websites designated by the Company and the Hong Kong Stock Exchange, subject to the laws, administrative regulations and the securities regulatory rules of places where the Company's shares are listed;
- (5) by any other means as approved by securities regulatory authorities at the places where the Company's shares are listed or as specified in the articles of association.

In respect of the manner in which the Company provides or sends corporate communications to the holders of H Shares as required under the Hong Kong Listing Rules, subject to compliance with the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the articles of association, such corporate communications may be provided or sent to the holders of H Shares through the Company's designated website and/or the Hong Kong Stock Exchange website or via electronic means.

The corporate communication as referred to in the proceeding paragraph means any document issued or to be issued by the Company for the information or action of any holders of H Shares or other persons required by the Hong Kong Listing Rules.

Any notice regarding the exercise of any powers/rights set forth herein that is given by way of announcement shall be published in such manner as required by the Hong Kong Listing Rules.

In the event that the listing rules of the stock exchange where the Company's shares are listed stipulate that the Company shall send, post, distribute, issue, announce or otherwise provide relevant documents of the Company in English and Chinese, and if the Company has made appropriate arrangement to confirm whether the shareholders intend to receive either the English or the Chinese version, the Company may (as per the intent stated by the shareholders) only send the English version or the Chinese version to the shareholders concerned to the extent permitted by the applicable laws and regulations and pursuant to the applicable laws and regulations.

Article 181 Where the Company issues a notice by public announcement, all relevant persons shall be deemed to have received such notice once the public announcement has been made.

Article 182 The convening of a board meeting by the Company shall be notified by public announcement, designated person, express delivery, post, e-mail or fax etc.

Article 183 Notice of a board meeting of the Company shall be served by public announcement, designated person, express delivery, post, e-mail or fax. Except as otherwise provided for in the articles of association, an extraordinary board meeting shall be convened for emergency reasons.

Article 184 Notice of meeting of the Supervisory Committee of the Company shall be served by public announcement, designated person, express delivery, post, e-mail or fax. Except as otherwise provided for in the articles of association, an extraordinary Supervisory Committee meeting shall be convened for emergency reasons.

Article 185 If the notice of the Company is served by designated person, the recipient shall affix their signature (or seal) to the Return on Service and the signing date shall be the date of service; if the notice of the Company is served by post, the fifth working day after handover to the post office shall be the date of service; if the notice of the Company is sent by fax, the time recorded by the fax machine shall be the date of service; if the notice of the Company is sent by e-mail, the time of sending the e-mail recorded by computer shall be the date of service; if the notice of the Company is served by public announcement, the date of first announcement shall be the date of service.

Article 186 The accidental failure to give notice of meeting to, or non-receipt of notice of meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions adopted at the meeting.

Article 187 Unless the context otherwise specifies, the “announcement” referred to in the articles of association shall mean, in respect of announcements made to the holders of domestic unlisted shares or the announcements to be published in the PRC as required by the relevant requirements and the articles of association, the publication of an announcement in newspapers in the PRC, and such newspapers shall have been prescribed under the laws and administrative regulations of the PRC or by the competent securities authority of the State Council. For notices issued by the Company to the holders of overseas-listed foreign shares by way of announcement, the Company shall on the same day submit an electronic version to the Hong Kong Stock Exchange through the Hong Kong Stock Exchange’s e-Submission System for in-real-time release on the website of the Hong Kong Stock Exchange in accordance with the Hong Kong Listing Rules, or publish an announcement in newspapers (including the publication of an advertisement in newspapers) in accordance with the Hong Kong Listing Rules. The announcement shall also be published on the Company’s website at the same time.

The information disclosed by the Company in other public media shall not precede the disclosure in the designated newspapers and websites, and the announcement of the Company shall not be replaced by press release or press conference, or other forms.

The Board shall have the right to decide to adjust the designated media for information disclosure of the Company, but should ensure that the designated media for information disclosure meets the qualifications and conditions stipulated by the relevant laws and regulations in the PRC and in Hong Kong, as well as the securities regulatory authority of the State Council, the overseas regulatory authority and the Hong Kong Stock Exchange.

CHAPTER 9 MERGER, DEMERGER, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Section 1 Merger, Demerger, Capital Increase and Capital Reduction

Article 188 The merger of the Company may take the form of either merger by absorption or merger by establishment of a new entity.

One company absorbing another company is merger by absorption, and the Company being absorbed shall be dissolved. Merger of two or more companies through establishment of a new company is merger by establishment of a new entity, and the parties to the merger shall be dissolved.

Article 189 Where the Company merges with a company in which it holds more than 90% of the shares, the merged company is not subject to the approval of the general meeting but shall notify other shareholders of the merger. Such shareholders shall have the right to request the Company to purchase their equity or shares at a reasonable price.

Where the consideration for the merger payable by the Company does not exceed 10% of the net assets of the Company, the merger is not subject to the approval of general meeting.

Any merger of the Company not subject to the approval of general meeting under the preceding two paragraphs shall be subject to the approval of the board of directors.

Article 190 In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within 10 days after the date of the Company's resolution on merger and shall make an announcement in the newspapers or the National Enterprise Credit Information Publicity System within 30 days. Creditors may demand the Company to repay debts or provide corresponding security within 30 days upon receipt of such notice or 45 days from the date of announcement in case of receiving no such notice.

Article 191 Upon the merger, claims and debts of each of the merged parties shall be assumed by the Company which survives the merger or the newly established company resulting from the merger.

Article 192 When the Company is demerged, its assets shall be split accordingly.

In the event of a demerger of the Company, the Company shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days after the date of the Company's resolution on demerger and shall make an announcement in the newspapers or the National Enterprise Credit Information Publicity System within 30 days after the date of the Company's resolution on demerger.

Article 193 Debts prior to the demerger of the Company shall be jointly and severally borne by the companies after the demerger, unless it is otherwise stipulated in the written agreement on settlement of debts reached between the Company and the creditors before the demerger.

Article 194 The Company shall prepare a balance sheet and an inventory of assets when it intends to reduce its registered capital.

The Company shall notify the creditors within 10 days upon resolution on reduction of registered capital by the general meeting and make announcement thereof in the newspapers or the National Enterprise Credit Information Publicity System within 30 days. Creditors may demand the Company to repay debts or provide corresponding security within 30 days upon receipt of such notice or 45 days from the date of announcement in case of receiving no such notice.

When the Company reduces its registered capital, it shall reduce the amount of capital contribution or shares in proportion to the shareholders' capital contribution or shareholding, unless otherwise provided by law or with the unanimous consent of all shareholders.

Article 195 Where the Company makes up losses in accordance with paragraph 2 of the Article 214 of the Company Law and remains in deficit, it may reduce its registered capital to cover such losses. Where registered capital is reduced to make up losses, the Company shall not distribute dividends to shareholders nor exempt shareholders from their obligations to contribute capital or pay share subscriptions.

Where registered capital is reduced pursuant to the preceding paragraph, the paragraph 2 of the preceding article shall not apply; however, an announcement shall be published on the National Enterprise Credit Information Publicity System or in the newspapers within 30 days of the general meeting passing the resolution to reduce registered capital.

Following a reduction in registered capital under the preceding two paragraphs, the Company shall not distribute profits until the aggregate amount of statutory reserves and discretionary reserves reaches 50% of the Company's registered capital.

Article 196 Where the registered capital is reduced in contravention of laws, regulations or the relevant provisions of the Articles of Association, shareholders shall return the funds received, and any reduction in shareholder contributions shall be restored to its original state; if losses are caused to the Company, shareholders and responsible directors, supervisors, and senior management members shall bear liability for compensation.

Article 197 When the merger or demerger of the Company involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with laws. When the Company is dissolved, the Company shall cancel its registration in accordance with laws. When a new company is established, its establishment shall be registered in accordance with laws.

In case of increase or reduction of registered capital of the Company, the Company shall legally complete the formalities for change registration with the company registration authority.

Section 2 Dissolution and Liquidation

Article 198 The Company shall be dissolved for the following reasons:

- (1) The term of its operations as is stipulated in the Articles of Association has expired, or other events of dissolution specified in the Articles of Association or unanimously agreed by all shareholders have occurred;
- (2) The general meeting resolves to dissolve the Company;
- (3) Dissolution is necessary due to merger or demerger of the Company;
- (4) The Company's business license is revoked, the Company is ordered to close down or be revoked in accordance with laws;
- (5) Where the operation and management of the Company falls into serious difficulties and its continued existence would cause material losses to shareholders, the shareholders holding above 10% of the total voting rights of the Company may apply to the people's court to dissolve the Company if there are no other solutions, and the people's court shall dissolve the Company.

If the Company encounters the reasons for dissolution as stipulated in the preceding paragraph, it shall publicize the reasons for dissolution through the National Enterprise Credit Information Publicity System within 10 days.

Article 199 Where the Company falls under the circumstances of items (1) and (2) of paragraph 1 of Article 198 and has not distributed any property to shareholders, it may continue to exist by amending the Articles of Association or by a resolution of the general meeting.

Amendments to the Articles of Association in accordance with the provisions of the preceding paragraph or by resolution of the general meeting shall be approved by more than two-thirds of the voting rights held by the shareholders attending the general meeting.

Article 200 If the Company is dissolved pursuant to item (1), (2), (4) or (5) of paragraph 1 of Article 198 of the Articles of Association, it shall be liquidated.

The directors, being the liquidation obligors of the Company, shall form a liquidation committee for liquidation within 15 days from the date of occurrence of the cause for dissolution.

The liquidation committee shall be composed of directors, unless the Articles of Association provide otherwise or the general meeting resolves to elect someone else.

If the liquidation obligator fails to fulfill its liquidation obligations in a timely manner and causes losses to the Company or creditors, it shall be liable for compensation.

Article 201 The Company shall be liquidated in accordance with the provisions of the first paragraph of the preceding article. If the Company fails to establish a liquidation committee on time or fails to be liquidated after setting up the liquidation committee, interested parties may apply to the people's court for the appointment of relevant personnel to form a liquidation committee to carry out liquidation procedures.

Article 202 The liquidation committee shall exercise the following powers during the liquidation period:

- (1) to handle the Company's assets and to prepare a balance sheet and an inventory of the assets;
- (2) to notify creditors through notice or public announcement;
- (3) to deal with the Company's outstanding businesses related to liquidation;
- (4) to pay any tax overdue as well as tax amounts arising from the process of liquidation;
- (5) to claim credits and pay off debts;
- (6) to distribute the Company's remaining assets after its debts have been paid off;
- (7) to represent the Company in civil lawsuits.

Article 203 The liquidation committee shall notify the Company's creditors within 10 days after its establishment and issue public notices in newspapers or on the National Enterprise Credit Information Publicity System within 60 days. A creditor shall lodge his claim with the liquidation committee within 30 days after receiving notification, or within 45 days of the public notice if he/she did not receive any notification.

A creditor shall state all matters relevant to his creditor rights in making his claim and furnish evidence. The liquidation committee shall register such creditor rights.

The liquidation committee shall not make any debt settlement to creditors during the period of claim.

Article 204 Upon liquidation of properties and the preparation of the balance sheet and inventory of assets, the liquidation committee shall draw up a liquidation plan to be submitted to the general meeting or people's court for confirmation.

The Company's remaining assets after payment of liquidation expenses, wages, social insurance expenses and statutory compensation, outstanding taxes and debts shall be distributed to shareholders according to their shareholding proportion or other proportions unanimously agreed upon by all shareholders.

It shall continue to exist during the liquidation period, although it can only engage in any operating activities that are related to the liquidation. The Company's properties shall not be distributed to the shareholders before repayments are made in accordance to the foregoing provisions.

Article 205 Upon liquidation of the Company's properties and the preparation of the balance sheet and inventory of assets, if the liquidation group becomes aware that the Company does not have sufficient assets to meet its liabilities, it must apply to the people's court for a declaration for bankruptcy liquidation.

Following the acceptance of application for bankruptcy by the People's Court, the liquidation committee shall hand over the liquidation affairs to the bankruptcy administrator appointed by the people's court.

Article 206 Upon completion of the liquidation, the liquidation committee shall submit a liquidation report to the general meeting or the people's court for verification and the report shall be submitted to the company registration authority in order to cancel the Company's registration.

Article 207 When performing the duties in relation to the liquidation, members of the liquidation committee shall bear the duties of loyalty and diligence.

If members of the liquidation committee are reluctant in performing their liquidation duties and cause losses to the Company, they shall be liable for compensation. A member of the liquidation group is liable to indemnify creditors in respect of any loss arising from his/her intentional or gross negligence.

Article 208 Where the Company is lawfully declared bankrupt, bankruptcy liquidation shall be carried out in accordance with the relevant laws governing corporate insolvency.

CHAPTER 10 AMENDMENT OF ARTICLES OF ASSOCIATION

Article 209 Under any one of the following circumstances, the Company shall amend the Articles of Association:

- (1) After amendment has been made to the Company Law or relevant laws, administrative regulations, the contents of the Articles of Association are in conflict with the amended laws, administrative regulations;
- (2) A change occurs in the Company's situation and such change is inconsistent with the matters stated herein;
- (3) The general meeting decides to amend the Articles of Association.

Article 210 Amendments to the Articles of Association approved by a resolution at the general meeting shall be subject to the approval of the competent authority and must be submitted to the competent authority for approval; if the amendments involve registration details of the Company, a change in registration particulars shall be carried out in accordance with laws.

Article 211 The board of directors shall amend the Articles of Association in accordance with the resolution of the general meeting on the amendment to the Articles of Association and the approving opinion of relevant competent authorities.

Article 212 Amendments to the Articles of Association that are required to be disclosed under laws, regulations or securities regulatory rules of the place where the Company's shares are listed shall be announced in accordance with relevant requirements.

CHAPTER 11 SUPPLEMENTARY PROVISIONS

Article 213 Definitions

- (1) Controlling shareholder refers to a shareholder whose shareholding accounts for more than 50% of the entire share capital of the Company, or a shareholder whose shareholding accounts for less than 50% but the voting rights entitled by the shares held are sufficient to exert a major impact on resolutions at the general meeting.
- (2) Actual controller refers to a person who is able to actually control the Company's conduct through investment relationships, agreements or other arrangements.
- (3) The terms "related-party transaction" and "connected transaction" used in the Articles of Association have the same meaning; "connected transaction" and "controlling shareholder" refer to the definitions given to them under the Hong Kong Listing Rules.
- (4) Subsidiaries refer to entities included in the scope of consolidated statements of the Company.

Article 214 The board of directors may formulate detailed rules for the Articles of Association in accordance with the provisions herein, which shall be approved by a special resolution of the general meeting. The Articles of Association shall not be inconsistent with the provisions of the Constitution.

Article 215 The Articles of Association are written in Chinese. In the event of any inconsistency between any other language or different version of articles of association and the Articles of Association, the latest Chinese version of the Articles of Association approved by and registered with the market supervision and administration department of Shenzhen shall prevail.

Article 216 The terms "above", "within", "below", as stated in these Articles of Association, shall all include the given figure; the terms "more than", "less than", "lower than" shall all exclude the given figure.

Article 217 The board of directors shall be responsible for the interpretation of the Articles of Association.

Article 218 After consideration and approval by the general meeting of the Company and/or its authorized organizations or persons (if applicable), the Articles of Association shall become effective and implemented from the date of listing of the H shares publicly offered by the Company on the Main Board of the Hong Kong Stock Exchange. Matters of amendment to the Articles of Association shall be considered and approved by the general meeting.

Article 219 Any matters not covered in the Articles of Association shall follow the requirements of applicable laws, administrative regulations, departmental rules, normative documents and the relevant provisions of the securities regulatory authorities of Hong Kong in combination with the actual situation of the Company. If the Articles of Association are contradicted to those specified by the applicable laws, administrative regulations, departmental rules, normative documents promulgated and implemented after the Articles of Association take effect or the relevant provisions of the securities regulatory authorities of Hong Kong, the requirements of the applicable laws, administrative regulations, departmental rules, normative documents promulgated and implemented after the Articles of Association take effect or the relevant provisions of the securities regulatory authorities of Hong Kong shall prevail.